



DEVELOPMENT MANAGEMENT INVESTMENT
Real Estate Group

DMI Introduction

DMI Real Estate Group - Introduction

- DMI is a leading real estate investment and development company based in the United States with offices in Los Angeles and Chicago
- Started in 2009 and has acquired approximately **450 residential units** since its inception
- Has achieved annualized **returns of 30%+** in past 24 months
- Principals have entitled, designed, developed, built or managed approximately **15,000 residential units** and **2.5 million square feet** of commercial space, ranging in size from \$5 million to \$250 million in capitalization
- Have partnered with **international institutional equity investors** and **global banks** on real estate projects
- Principals are graduates from the top-tier US universities – **Harvard, Stanford, UC Berkeley, UCLA, USC, NYU**
- DMI brings **best of class experience** from **real estate, construction, finance, and law** into one company

Sample DMI Projects - Current

- 86 unit future student housing apartment near University of Chicago
- 120 unit affordable housing rehab and rental project in Chicago
- 80 unit Single Family Residential rehab and rental project in Chicago and surrounding suburbs
- 38 unit condo building purchase in Hyde Park, next door to President Obama's house
- Note purchase of 63 unit condo building in Schaumburg, IL, next to Motorola offices
- 99 unit senior independent living new development in Los Angeles area



Past Projects Executed by Principals



Downtown Azusa (CA) Redevelopment

- Redevelopment of 20 city blocks in downtown Azusa
- 400+ mixed use units, 180,000 SF of retail and commercial space, and 40,000 SF of civic space
- Successfully attracted Target to act as anchor for retail center

Olympic Studios (Santa Monica)

- 165-unit multifamily two phase development
- 375 square feet mini-units with extreme high finishes
- Opened December 2008 and fully leased up in 6 months
- Rental rate at \$1,388 per month
- All utilities and parking paid by tenant



Past Projects Executed by Principals



819 Broadway and 1447 Lincoln Apartments (Santa Monica, CA)

- Management, entitlement and development of approximately 200 units and 14,000 SF of retail.
- Both projects were funded with 4% tax credit (public bond financing) and private equity



Pomona Transit Oriented Development

- Management, entitlement and development of approximately 271 units and 31,000 SF of retail
- Project unwritten with Tax Increment Financing (TIF), public bonds and private financing

BJ Kim - Principal

- 19 Years of Real Estate Experience as investor, developer, engineering consultant, contractor and broker
- Worked for the largest real estate companies in the US. Past management experience include:
 - Executive Vice President of NMS Properties
 - Vice President of Watt Commercial
 - Director of Acquisitions of Centex
- Education
 - MBA, UCLA Anderson School of Management
 - BS Civil Engineering, UC Berkeley
- Licenses
 - CA Real Estate Broker
 - CA Professional Engineer
 - CA General Contractor



David Ahn - Principal

- Over 14 years of finance and investment experience
- Raised over \$250 million in equity and debt for private and public companies
- Successfully started multiple restaurant chains in Southern California
- Past finance / investment experience include:
 - Investment banking – Merrill Lynch, Soundview Technology
 - Venture Capital – FG II Ventures, Ambient Capital
- Education
 - Master of Real Estate Development, University of Southern California
 - AB, Economics with Honors, Harvard University



Michael Yun - Principal

- Over 15 years of real estate finance, brokerage, management and construction experience
- Owns and operates 2 real estate brokerage companies in the states of Illinois and Wisconsin
- Successfully coordinated execution of multiple residential property constructions and upgrades to enhance marketability
 - General contractor of residential construction
 - Project manager of multi-unit apartment renovation
- Licenses
 - Illinois Real Estate Broker
 - Wisconsin Real Estate Broker
- Education
 - B.A., Northeastern Illinois University



Janet Lee – In-House Compliance / Legal

- Over 10 years of real estate and corporate legal experience
- Represented the FDIC in its capacity as receiver for failed institutions in disposing of real estate owned assets
- Past work experience for top tier US law firms and fortune 100 companies
 - Baker Hostetler LLP
 - In-House Real Estate Counsel - Panda Restaurant Group, Inc.
 - Skadden, Arps, Slate, Meagher & Flom LLP
- Education
 - JD, New York University School of Law
 - MA, Boston University, Psychology
 - BA, Stanford University, Psychology
- Licenses
 - Licensed Attorney, The State Bar of California
 - California Real Estate Broker



STANFORD
UNIVERSITY



Skadden, Arps, Slate, Meagher & Flom LLP
& Affiliates

DMI EB-5 Information

DMI Real Estate Group – EB-5 Regional Center

- Received **USCIS approved status** as active Regional Center in September 2013
- Regional Center approved for investment into **retail, hotel, office, restaurants, residential and senior housing**
- Geographic focus will be in **Chicago** and surrounding areas, including parts of **Wisconsin** and **Indiana**
- Invest only in **TOP TIER** projects from operators/developers with **proven track record** and long **history of successful projects**
- Strong **political support** from both local and state officials
- Partnerships with top EB-5 attorneys and consultants – over **100 successful EB-5 deals** completed
 - ❖ **Wright Johnson** – EB-5 consultant and business plan
 - ❖ **McAdam & McCarthy** – Immigration attorney
 - ❖ **Homeier & Law** – Securities attorney
 - ❖ **Thompson Coburn** – Full service securities / Immigration attorney
 - ❖ **Kosmont Companies** – market research

DMI Real Estate Group – USCIS Approval Letter

U.S. Department of Homeland Security
U.S. Citizenship and Immigration Services
Immigrant Investor Program
Washington, DC 20529



U.S. Citizenship
and Immigration
Services

Date: September 19, 2013

Byong Kim
DMI Real Estate Chicago, LLC
2327 S. Sawyer Ave., Unit 1-A
Chicago, IL 60623

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

Applicant(s): Byong Kim

Re: Initial Regional Center Designation
DMI Real Estate Chicago, LLC
RCW1300751054 / ID 1300751054

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 7, 2013. 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

Effective the date of this notice, USCIS approves the Form I-924 request to designate DMI Real Estate Chicago, LLC (DMIREC) 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

www.uscis.gov



Chicago Market

Why Chicago?

- **3rd largest city** in the United States – 9.5 million people in metro area
- Gross Regional Product –\$532 billion
- World-class universities lead to strong professional talent pool
 - University of Chicago and Northwestern are ranked top 10 nationally in many programs: business, law, medical
 - Many other great schools in Chicago: University of Illinois, SAIC, IIT, Loyola, Depaul
- 29 Fortune 500 companies located in Chicago Metropolitan Area
- **Main target for corporate expansion** – 2nd in US for corporate real estate investment and expansion projects
- **High-tech job growth** – large expansion by Google, Groupon and other large technology companies into downtown Chicago
- One of the best public transportation network's in US



Sample Fortune 500 Companies with HQ in Chicago Area

- **Boeing** – largest manufacturer of commercial jetliners and military aircraft



- **Caterpillar** – world's leading manufacturer of construction equipment



- **McDonald's** – largest foodservice retailer / restaurant in the world



- **Motorola / Google** – Google recently acquired Motorola, one of the largest phone manufacturers in the world. After the acquisition, Google acquired an additional 200,000SF of new office space, expanding their presence in Chicago

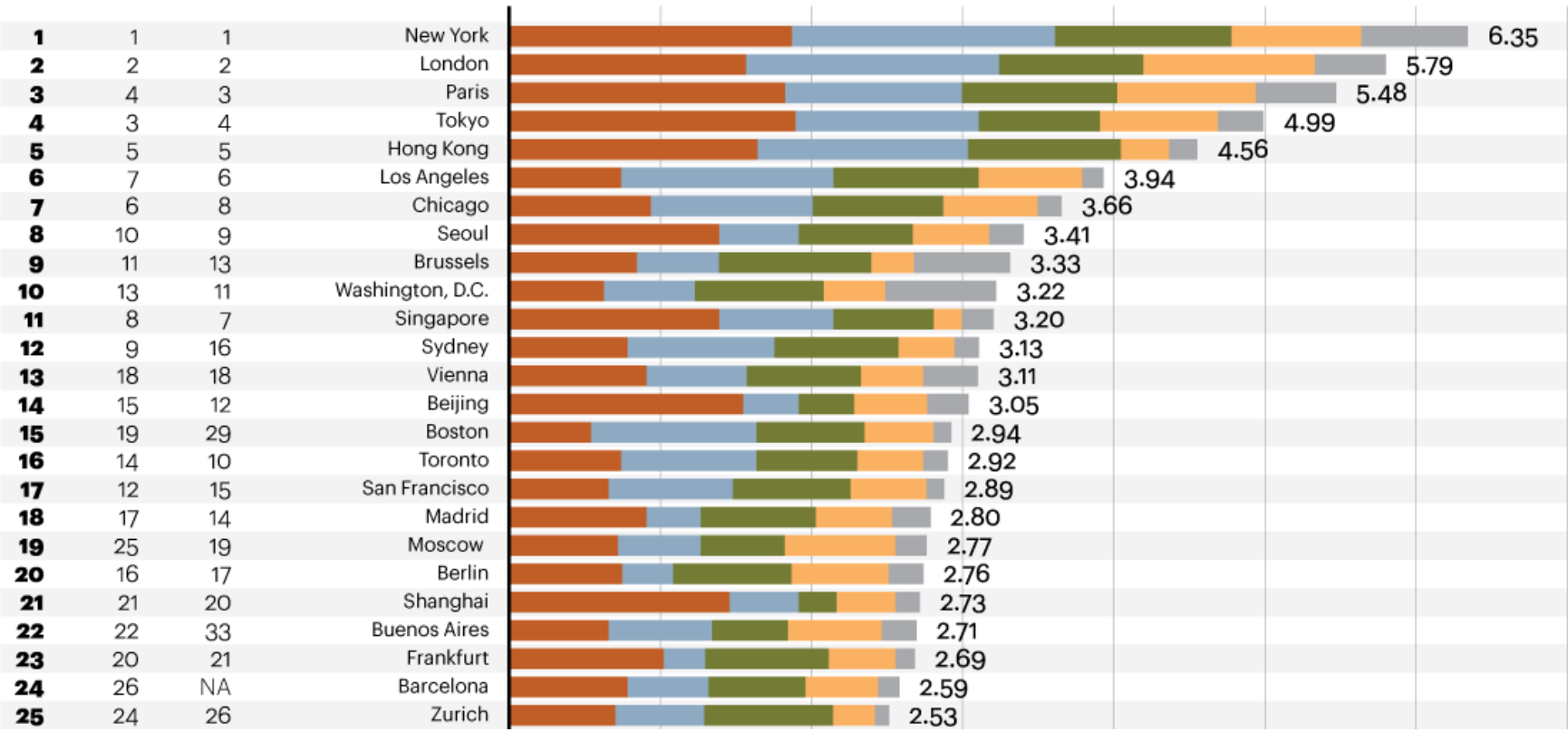


AT Kearney – Global Cities Index – Chicago #7

Ranking

2012 2010 2008

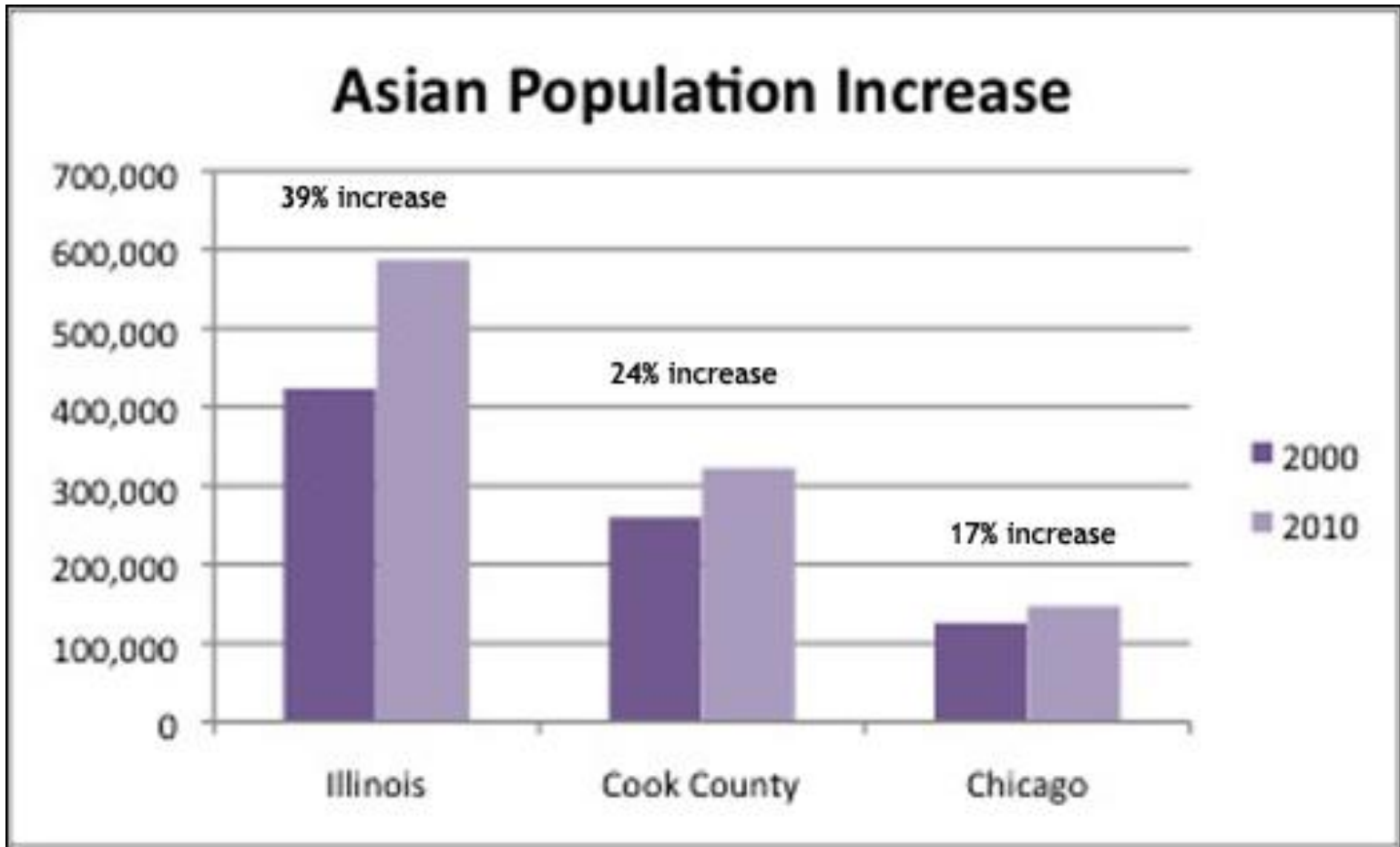
Values calculated on a 0 to 10 scale



The overall global city scores and ranking are based on a weighted, composite value of five dimensions of globalization: business activity (30%), human capital (30%), information exchange (15%), cultural experience (15%), and political engagement (10%). Each of the five dimensions is comprised of four to six sub-measures, for a total of 25 individual measures of globalization.

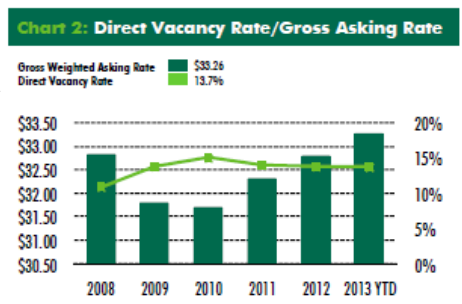
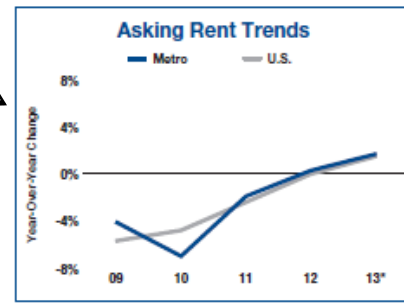
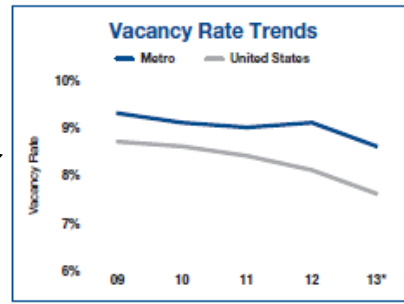
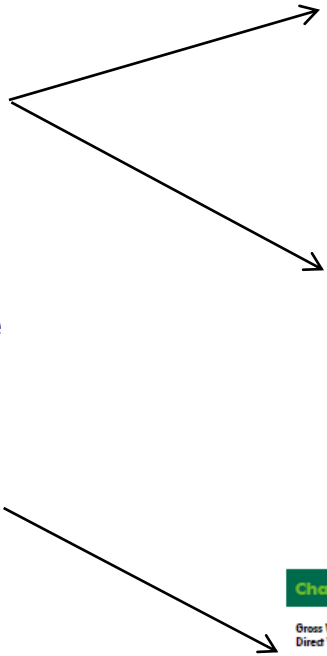


Rapidly Growing Asian Population in Illinois and Chicago



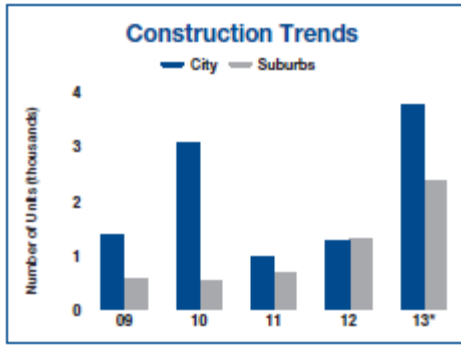
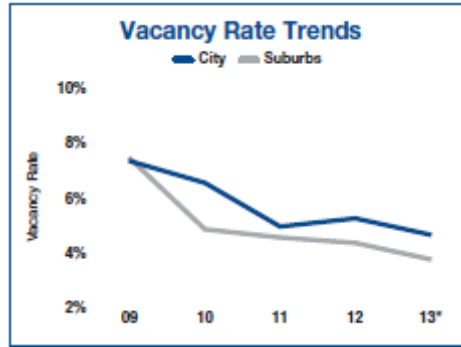
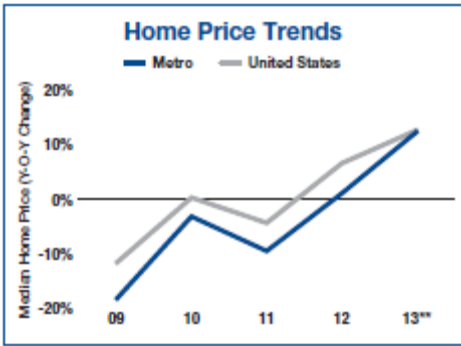
Chicago Real Estate Market - Commercial

- **Attractive to foreign and domestic investment** - Chicago ranked 10th globally for attracting the highest dollar amount of real estate investment in 2013 = \$10.6 billion
- **Improving Chicago retail market** - vacancies decreasing and rents slowly increasing in Q4 2013 and 2014
- **New retail construction activity doubled** – nearly 2 million SF of retail will be added to Chicago and surrounding suburbs in 2013, double from 2012
- **Improving Chicago office market** - Office market saw lowest overall vacancy rate since Q2 2009 and continued increase in rents since 2010
- **Growth in technology and medical office space demand**
- **Best time to invest in office and retail real estate** - both sectors have hit the bottom and are expected to see **strong growth in 2014** and beyond



Chicago Real Estate Market - Residential

- One of the strongest apartment rental markets in US
- Strong professional (white collar) job growth expected to keep demand high for Class A apartments
- Home values improving significantly – Home prices increased nearly 8% in 2013
- Apartment market fundamentals stay strong - 3.5% increase in effective rents to \$1,206 per month in 2013 while vacancies will decrease approximately 4%
- Apartment sales prices are expected to increase in 2014 – strong demand from US and international capital will continue to outweigh supply
- Increased population growth in the downtown area means continued new construction – nearly 7,000 units will be built in 2013 and 2014



Current and Future EB-5 Deals

EB-5 Opportunity – Class A Mixed Use Development

“New City” - \$254M Retail, Office, and Luxury Apartment Development

Total jobs created	2,112
Qualified EB-5 investment Amt	\$105 million
TEA designation	Yes
Target EB-5 investment amt	\$45 million
Total project costs	\$254 million
Total project NOI –stabilized	\$205 million
Est. project value – stabilized	\$330M to \$360M
Residential units	199
Retail SF	423K
Medical office SF	25K
Construction start date	Immediate
Construction end date	Q1 2015

DEAL HIGHLIGHTS

- **Best Class A location** – located in River North/Lincoln Park area, one of best neighborhoods in Chicago
- **High profile project in Chicago** – one of the biggest, well-publicized new developments in Chicago over past 3 years
- **International institutional investment partners** – JP Morgan, BMO Harris Bank, General Growth Partners
- Retail is already **over 65% pre-leased** to national tenants
- **Very successful track record of development** – Developer has built many new shopping centers and office buildings in the area that are 95% occupied
- **Safe EB-5 investment** – Seeking less than 50% of maximum EB-5 qualified funding. ***EB-5 investors will be very well protected!***
- **Construction already started** – All permits and entitlements already obtained. Construction getting started immediately. Eliminates risk for EB-5 investors!
- **EB-5 Exit Plan – Sale or Refinance**



New City - Preliminary Job Creation Analysis

EMPLOYMENT CREATION			
	Direct	Indirect	Total
Construction Costs (\$133,148,821)	--	1,339.6	1,339.6
TI/Owner Hard Costs (\$38,937,153)	--	391.7	391.7
Architectural and Engineering Costs (\$4,470,280)	--	48.3	48.3
Residential Leasing (\$6,494,267)	68.5	30.2	98.7
Retail Leasing (\$13,680,212)	144.2	63.7	207.9
Parking (\$2,400,949)	7.1	19.4	26.5
Total Employment	219.8	1,892.9	2,112.7

** Employment creation figures are preliminary and has not been submitted to or approved by USCIS as an official number*



EB-5 Opportunity – Class A Mixed Use Development – Project Map



EB-5 Opportunity – Class A Mixed Use Development - Renderings



EB-5 Opportunity – Senior Housing

BMA Management Memory Care Facilities - \$26M Senior Housing Development

Total jobs created	300
Qualified EB-5 investment amt	\$15 million
TEA designation	Yes
Target EB-5 investment amt	\$10.5 million
Total project costs	\$26.1 million
Total project NOI –stabilized	\$2.4 million
Est. project value – stabilized	\$32 million
Residential units	120
Construction start date	July 2014
Construction end date	July 2015

Deal Highlights

- Building 3 new “Memory Care” (MC) facilities next to existing Assisted Living facilities
- BMA Management is the **largest Assisted Living owner/operator in Illinois** and **18th largest in the US**
- Owns 39 properties (3,500 units)
- **Successful track record new development** - Have opened 3 to 5 new properties every year since 2006
- **Great political connections** – Member of Board of Directors serves on Illinois Governors’ Housing Task Force

Industry

- US 65+ population expected to grow 4x faster over next twenty years than overall population
- Growing need for Memory care services – 1 in 3 people in US over 85 years old has Alzheimer’s disease
- 85+ population growing by over 160,000 every year
- Senior housing industry was one of the best performing real estate sectors since 2007
- **EB-5 Exit Plan - Refinancing**

Senior Housing - Preliminary Job Creation Analysis

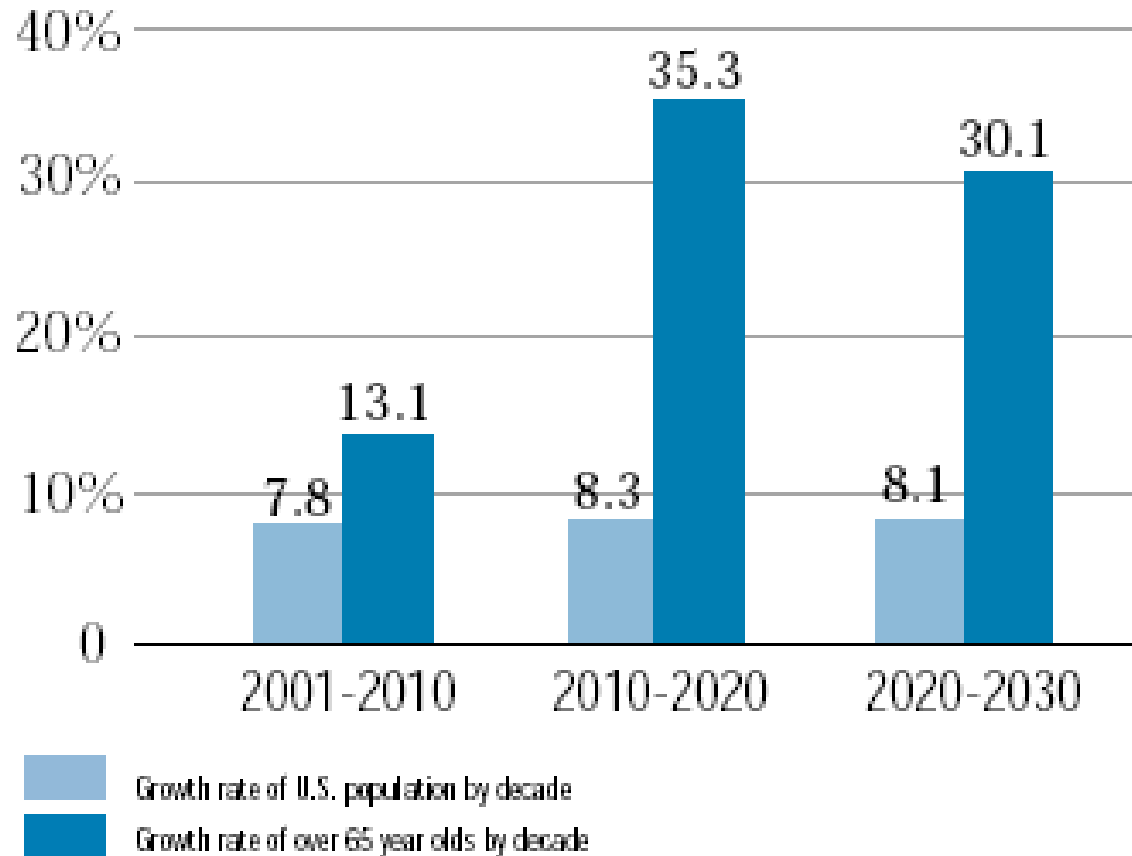
EMPLOYMENT CREATION (over 3 projects)			
	Direct	Indirect	Total
Construction Costs (\$15,865,000)	--	138.6	138.6
Furniture, Fixtures and Equipment Costs (\$1,200,000)	--	9.0	9.0
Architectural and Engineering Costs (\$570,000)	--	6.0	6.0
Facility Operations (\$6,061,704)	147.6	0	147.6
Total Employment	147.6	153.6	301.2

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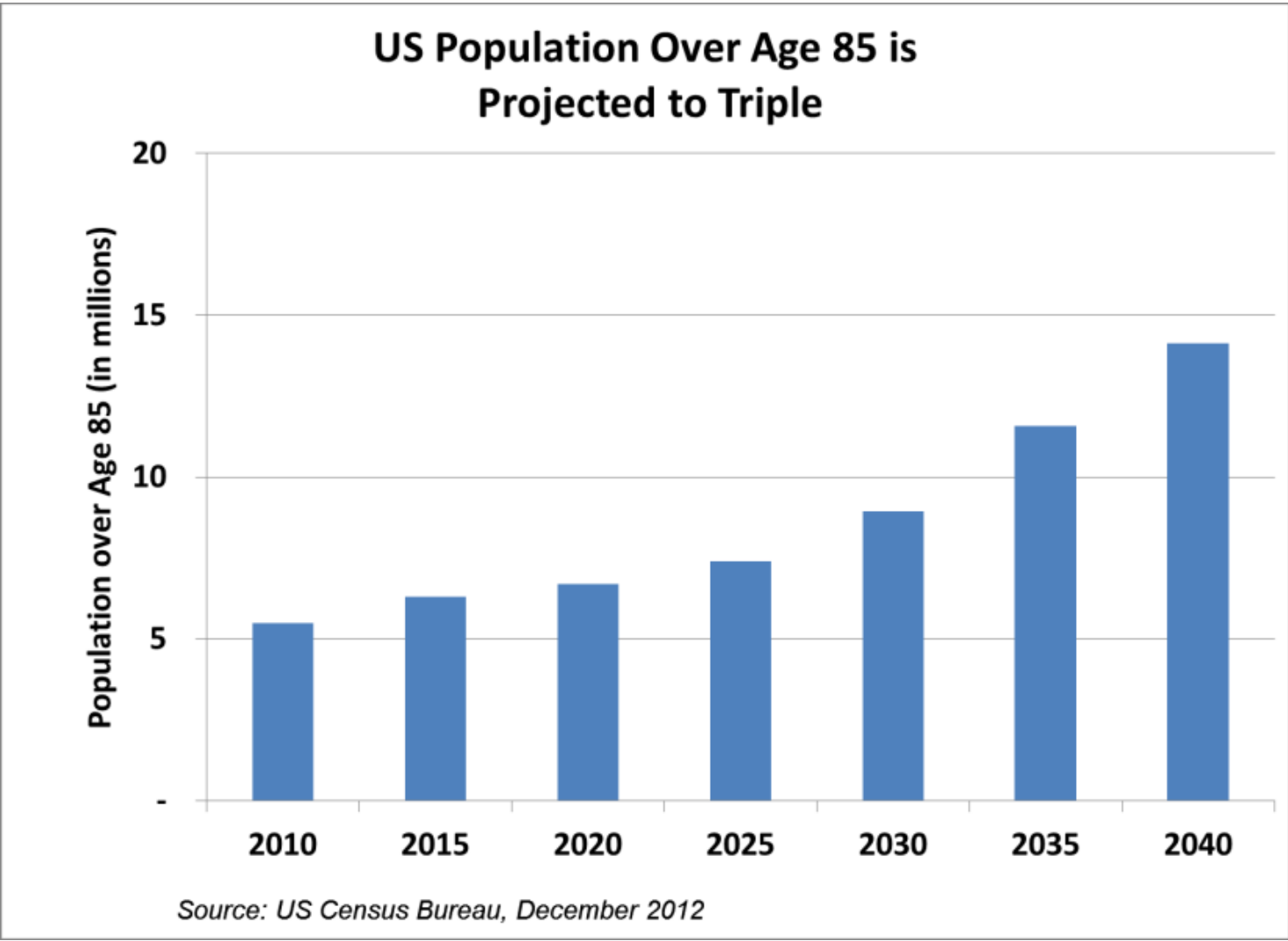


EB-5 Opportunity – Growth Rate of US Senior Population Compared to Overall US Population

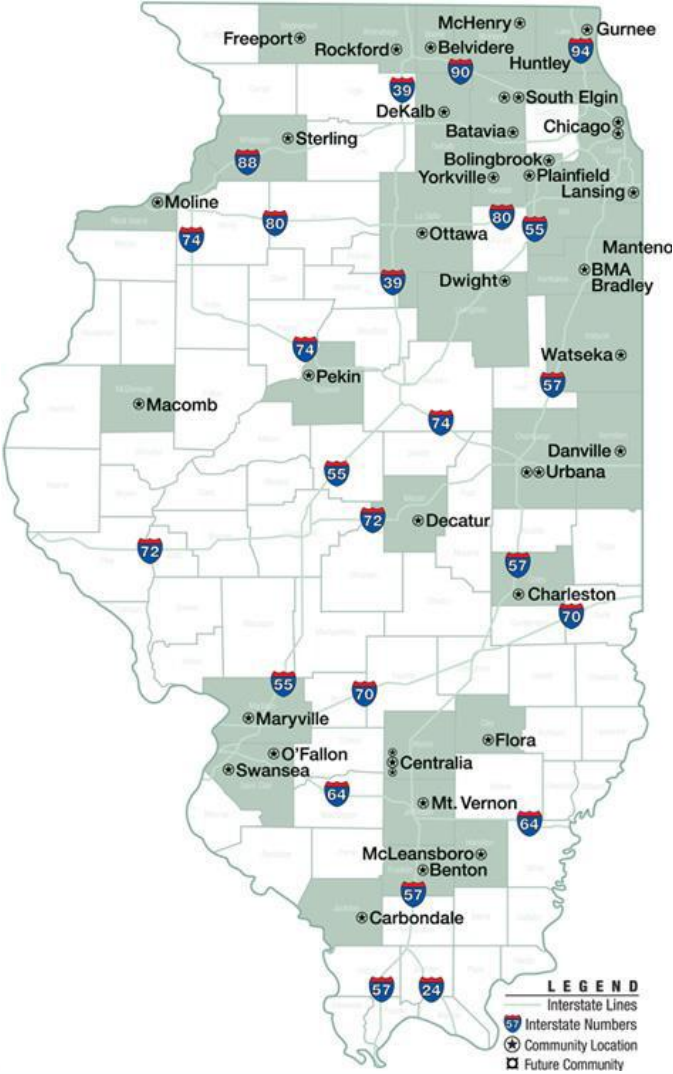
Senior Population Expected to Grow 4 times faster than overall US Population



EB-5 Opportunity – Senior Housing – Growing Population



EB-5 Opportunity – Senior Housing – Current Properties Owned by BMA



EB-5 Opportunity – Senior Housing - Pictures



EB-5 Opportunity – Lincoln Park Mixed Use Development / Student Housing

Baker Development Lincoln Park Project - \$80M Mixed-Use Student Housing/Retail Development

Total jobs created	379
Qualified EB-5 investment amt	\$18.5 million
TEA designation	Yes
Target EB-5 investment Amt	\$15 million
Total project costs	\$61.5 million
Total project NOI –stabilized	\$4.1 million
Est. project value – stabilized	\$81.1 million
Residential units	200
Retail SF	16,000
Construction start date	July 2014
Construction end date	Dec 2015

Deal Highlights

- **Best, Class A+ location in Chicago** – Lincoln Park
- Neighborhood has lowest vacancies for apartments and retail in all of Chicago
- One of highest median income areas in Illinois
- **High demand for new projects** - One of only few new residential developments in few years
- **Large student housing population** - nearly 25,000 students enrolled

- **Experienced developer** – owner has acquired, developed or constructed over \$3 billion of real estate
- Very strong track record of successful development and operations in neighborhood
- Strong local political connections

- **EB-5 Exit Plan - Sale**

Lincoln Park Project - Preliminary Job Creation Analysis

EMPLOYMENT CREATION			
	Direct	Indirect	Total
Construction Costs (\$35,315,010)	--	355.3	355.3
Tenant Improvements (\$783,350)	--	7.9	7.9
Architectural and Engineering Costs (\$1,471,560)	--	15.9	15.9
Total Employment	--	379.1	379.1

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Lincoln Park - #1 Neighborhood in Chicago – Lowest Vacancy

Retail Vacancy - Chicago Neighborhoods

Submarket	Vacancy	Asking Rents (per SF per year)
Lincoln Park	4.4%	\$30.55
River North	4.6%	\$35.31
Gold Coast	4.7%	\$32.26
Northwest City	5.5%	\$17.93

Apartment Vacancy - Chicago Neighborhoods

Submarket	Vacancy	Rents (per month)
Lincoln Park	1.6%	\$1,518
Southeast Chicago	4.6%	\$981
River North	4.7%	\$1,911
Loop	5.5%	\$1,953

EB-5 Opportunity – Lincoln Park Mixed-Use - Renderings



Potential EB-5 Opportunity – Franchise Restaurants

Franchise Restaurant Expansion

Total jobs created – per location	20 to 30
EB-5 investment Amt – per location	\$500K to \$1M
TEA designation	Yes
Total project costs – per location	\$750K to \$1M

Deal Highlights

- Internationally known name brands looking to expand their stores
 - **Dunkin Donuts** California expansion plan
 - **Burger King** Chicago expansion
 - **Blaze Pizza** (started by founders of Wetzel's Pretzels) National expansion plan
 - **Flame Broiler** (Korean BBQ fast food restaurant with 200 locations) and other Asian food Midwest expansion plan
- Good opportunities for investors who want to invest alone or in small groups
- **Safe EB-5 investment** – very high job count compared to investment amount

