

CAP  UNITED

EB-5 Redeployment Program

SEC Registered Investment Advisor

CAP  UNITED

Fund Custodian

charles SCHWAB

Fund Administration

NES Financial

Redeployment Issue

Under current policies of USCIS, as recently updated by its Policy Manual dated June 14, 2017 (the “Policy Manual”), every EB-5 Investor is required to retain their investment capital “at risk” in the NCE until such time as that EB-5 Investor has been in the U.S. for 2 years in conditional resident status, commencing on the date the EB-5 investor entered the U.S. or obtained a change of status if the investor was already in the U.S. under a different visa (the “Sustainment Period”).

Due to the EB-5 quota backlog for Mainland China, those EB-5 Investors are required to retain their capital “at risk” in the NCE for a period that could reach or exceed 12 years, taking into account the estimated 10 year waiting period to commence conditional residence status plus the 2 year period of conditional resident status.



Redeployment Issue

Since the vast majority of EB-5 projects are structured such that the NCE makes a loan to the JCE with a five year term to maturity, a proper redeployment strategy for up to 7 years. is necessary for most NCEs in order to continue to meet the “at risk” requirement following the date that the JCE repays the original loan to the NCE.

“At Risk” Sustainment Period:

12 years

Less: Typical EB-5 Loan Term:

(5 years)

7 YEARS

NEC redeployment strategy

Even for those investors not from Mainland China, it is possible that their investment capital will need to be redeployed before they satisfy the Sustainment Period, especially since the Policy Manual allows loans to be repaid after the required jobs have been created, even before the loan maturity date, necessitating a redeployment strategy even for such non-Mainland China investors.

USCIS amended its Policy Manual on June 14, 2017 to clarify various policy issues regarding the requirement of an investor to sustain the investment. The three major clarifications are as follows:

1. After the Sustainment Period concludes, even though the I-829 petition to remove conditions has not been adjudicated, investor capital can be returned. For Chinese nationals, this could mean a Sustainment Period of up to 12 yrs. years from the date of initial filing of the I-526 petition.
2. During the entire Sustainment Period, the investment by the investor must be sustained “at risk”. The Policy Guidelines set forth new defined standards to meet the “at risk” requirements, including in a manner related to “engagement in commerce” and “within the scope of the new commercial enterprise’s business.”
3. The investment amount can be redeployed by the NCE before or after completion of necessary job creation in the original job creating enterprise, and must be redeployed within a reasonable period of time following repayment of the original investment.

Our Redeployment Program

Capital United (“CapUnited”) has partnered with industry leaders and developed a proprietary structure that provides an end-to-end solution designed specifically to satisfy USCIS “at risk” requirements as presently defined, while protecting all parties until such time as each EB-5 Investor in the NCE has completed their Sustainment Period.

Our Redeployment Program mitigates the risks to the general partners or managers of NCEs of potential claims of breach of fiduciary duty, violation of U.S. securities laws, and legal liabilities associated with redeployment of the NCE’s funds into a new investment.

We accomplish this through applying best practices long associated with the securities industry, which mandate investor protections through appropriate disclosures, due diligence, oversight, frequent reporting, liquidity requirements, and investor transparency.

Capital United is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended, and has exclusively partnered with the following entities for our Redeployment Solution:

- **Greystone Real Estate Short Term Debt Fund** to provide our NCE clients with an actively managed private investment fund that invests in a diversified portfolio of first mortgages loans collateralized with multifamily and healthcare properties
- **NES Financial Services** to provide our NCE clients with Fund Administration Services, Investor Reporting, and fully compliant financial reporting for both NCEs and their investors
- **Charles Schwab** to provide our NCE clients with third party Custodian Services for NCE redeployment accounts and act as the transactional broker for our Redeployment Program.

Our Redeployment Investment Options

Capital United offers three redeployment investment alternatives to our NCE clients. Each is designed to achieve the goals of mitigating the potential legal liability of general partners and managers of NCEs, and protect the interests of the EB-5 Investors in NCEs by delivering a professionally managed portfolio of investments meeting the USCIS requirements established in the June 2017 update to the USCIS Policy Manual. All of our redeployment investment options provide for:

- **Quarterly distributions** of profits to the NCE
- **Reinvestment of capital** of the NCE until repayment of capital to EB-5 Investors is permitted by USCIS
- **Transparent access** to information regarding the reinvestment portfolio to the NCE and all of its EB-5 Investors
- **Third party fund administration** to ensure that EB-5 Investors are paid in accordance with their rights under the NCE's partnership agreement or operating agreement at such time as USCIS policy allows EB-5 Investors to receive repayment of their capital contributions

Redeployment Investment **Option One**

Greystone Real Estate Short Term Debt Fund ("Greystone Fund"): Redeployment of EB-5 funds into a private investment fund invested in a diversified portfolio of first mortgage loans secured by multifamily and healthcare properties nationwide. All loans are underwritten so that they can be refinanced by one of Greystone's government-agency loans. Greystone's bridge lending business currently has over \$1.3 billion in credit from institutions, including: Bank of America, JP Morgan, Wells Fargo, AIMCo, Capital One Bank, Huntington Bank, and credit-rated bonds (Moody's & DBRS)

Greystone is a leading national commercial real estate lending, investment, and advisory company with 30 years' experience providing innovative financing solutions for multifamily and healthcare properties. We are experts in creativity and execution across multiple lending platforms including Bridge, CMBS, FHA, Fannie Mae, Freddie Mac, Mezzanine and other proprietary loan programs. Our total loan origination volume in 2016 was over \$7.1 billion. Greystone has originated nearly \$3 billion in bridge loans using its own equity with no incurred losses since 2011. Greystone's development group has acquired, repositioned and developed over \$2 billion in properties nationwide spanning approximately 3.5 million square feet. Greystone is headquartered in New York City with offices across the U.S. For more information, visit www.greyco.com/lending.

Redeployment Investment Option One

GREYSTONE FUND HISTORICAL PERFORMANCE

Since Greystone commenced the bridge financing business in 2004, total losses experienced have been 0.07%

- To date, across five (5) loan portfolio totaling in the aggregate over \$1 Billion, there has only been \$1.8M in losses. This performance is directly related to Greystone's strong integrated Bridge Lending Platform

Historical Losses vs. Market

Greystone's historical losses are significantly lower than the broader market

	Multifamily Historic Mortgage Industry Credit Loss: Years 2006 – 2015 (10-Year Average ¹)	Multifamily (Peak to Trough) Industry Credit Loss: Years 2007 – 2011 (5-Year Average ¹)
Greystone	0.02%	0.04%
Agency (Fannie Mae & Freddie Mac)	0.07%	0.12%
Banks (FDIC Insured Institutions)	0.37%	0.70%
CMBS	0.54%	0.47%

¹ As a percentage of overage portfolio balance

Sources: Federal Reserve, Trepp, Fannie Mae, FRE Volumes Summary, FDIC, American Council of Life Insurance (ACLI)

Redeployment Investment Option One

The Greystone Redeployment Investment Option is structured to benefit NCE general partners and managers and EB-5 Investors through:

1. 4% preferred return paid quarterly from available cash flow of the fund (net of fees payable to CapUnited and NES Financial). Preferred returns are not guaranteed, but are paid before Greystone's management fees or any other distributions are paid to Greystone. Actual returns may fluctuate based on market and economic conditions as well as the lending decisions of the Greystone Fund manager
2. Greystone Fund invests in First Deed of Trust Mortgage Loans with Greystone investing at least 10% of the investment amount in every loan, and not receiving a return of its capital on any loan until each NCE investor receives its principal and interest owed on every loan held by the Greystone Fund
3. Greystone has a Track Record of over 30-years sponsoring real estate investment vehicles and managing institutional capital, and Greystone was the #1 FHA/HUD (US Department of Housing and Urban Development) Commercial Multifamily Lender in 2016
4. Greystone Fund will make direct deposits of each NCE's distributions from the Greystone Fund into a separate Schwab custodian account that is managed exclusively for that NCE by CapUnited
5. NES Financial will provide NCE Fund Administration and EB-5 Investor reporting through its proprietary online reporting system, including quarterly reporting of all capital contributions by the NCE to the Greystone Fund, quarterly profits distributions from the Greystone Fund to the NCE's account and repayment of capital to the NCE's account
6. Greystone Fund will pay quarterly distributions of income on loans to NCEs (from which the NCE may make distributions to EB-5 Investors and to the general partner or manager of the NCE), and reinvest loan principal repayments until each date that the NCE requests a return of capital
7. The NCE may submit written requests for withdrawals from the Greystone Fund up to 90 days in advance of the date that each EB-5 Investor qualifies for repayment of capital under USCIS policies, and Greystone Fund will pay the withdrawal amount within 9 months of each request for withdrawal

Redeployment Investment Option Two

Newly Issued Municipal Bond Portfolio: Redeployment of EB-5 funds into a diversified portfolio of newly issued municipal bonds. This portfolio is designed to satisfy USCIS “at risk” requirements as presently defined. Our Municipal Bond Program is structured to benefit NCE general partners and managers and EB-5 Investors through:

1. Direct investment in newly issued short-term and/or mid-term municipal bonds
2. Institutional pricing for purchases and sales of bonds and no charges for Schwab custodian services, which result in cost savings that are passed through to our NCE clients
3. Direct deposits of each NCE’s funds into a separate Schwab account that is managed exclusively for that NCE by Schwab
4. Fund Administration and EB-5 Investor reporting through NES Financial, including quarterly reporting of all capital contributions by the NCE to the NCE Schwab account, quarterly profits distributions from interest payments on municipal bonds to the NCE's account and repayment of bond principal to the NCE's account
5. Quarterly distributions of dividend income to the NCE, reinvestment of principal repayment until each EB-5 investor is eligible for repayment

Redeployment Investment **Option Three**

Real Estate Loan or Equity Investment Redeployment: If an NCE decides to redeploy EB-5 capital through a privately negotiated loan or equity investment into another real estate project or property, our Redeployment Program may mitigate against the potential risks of claims of breach of fiduciary duty or securities law violations and provide greater protection to EB-5 Investors through:

1. Underwriting, analyzing, and performing independent due diligence on the real estate project or investment prior to Redeployment of EB-5 capital
2. Analyzing available liquidity options to allow for repayment of capital to EB-5 Investors at such time as USCIS allows such repayment
3. Monitoring the use and repayment of EB-5 funds throughout the lifecycle of the investment
4. Fund Administration and EB-5 Investor reporting through NES Financial, including quarterly reporting of all investment contributions by the NCE to the private loan or equity investment, income distributions from the loan or investment to the NCE's account and repayment of capital to the NCE's account

How our Redeployment Solution Adds Value

Legal Protections

- We reduce inherent conflicts of interest between the general partner or manager of the NCE and the EB-5 Investors in the NCE by acting as an independent third party adviser that assists in the selection of the reinvestment option determined appropriate by the NCE that best meets the needs of the EB-5 investors in the NCE.

Coordinating Inventor Consent

- We work with NCEs to obtain appropriate approvals from EB-5 Investors if necessary prior to redeployment of capital. We assist NCEs in providing the information for EB-5 Investors regarding the redeployment of their capital, to reduce the risks caused by a failure to provide disclosures or investment information to EB-5 Investors prior to redeployment of capital.

Liquidity

- Our Redeployment Program allows the NCE to make a reinvestment selection with potentially lower risk than the original investment of the NCE in the JCE.
- With Redeployment Option One in Greystone Fund, as each EB-5 Investor becomes eligible to receive a return of their capital, the NCE's investment can be withdrawn within 9 months of written request for withdrawal.
- With Redeployment Option Two in Municipal Bonds, bond purchases can be "laddered" to provide for different maturity and repayment dates to the NCE.
- With Redeployment Option Three in Privately Held Securities or Real Estate Solution, we will analyze the liquidity strategy to repay EB-5 Investors as they become eligible for return of their capital, to assure EB-5 Investors that the NCE will have funds available from the redeployment investment in a timely manner.

Account Custodian

- Schwab will be the Custodian and Transactional Broker of the NCE's funds for those accounts invested in the Greystone Fund or Municipal Bonds. Schwab will provide reports to the NCE on a quarterly basis, including all portfolio holdings and transactions, deposits into and withdrawals from the NCE's account during each quarter. NES Financial will receive copies of all reports directly from Schwab.

Allows JCEs to Take Advantage of Market Cycles

- Our Redeployment Program provide JCEs the flexibility to take advantage of market cycles and sell their assets whenever they deem appropriate, while giving NCEs the ability to fund shorter term projects like for-sale condominiums.

Returns

- The Greystone Fund targets a 4% preferred return to the extent that cash flow is actually received, from which the NCE may make distributions to EB-5 Investors and to the general partner or manager of the NCE.

Transparency

- NES Financial will receive direct copies of all quarterly reports from Greystone Fund, Schwab and/or any private borrower or company in which the NCE is invested, including contributions by the NCE, payments from the investment received by the NCE, and payments by the NCE to EB-5 investors
- NES Financial will provide access via its website to all EB-5 investors in each NCE regarding all fund disbursements and receipts in the NCE account
- NES Financial will retain records regarding each EB-5 Investor, including the date that each EB-5 Investor commenced his or her Sustainment Period, for the purpose of determining when each EB-5 Investor becomes eligible for repayment of their capital

Compliance

- Our solution was formulated on advice from leading EB-5 immigration and securities law experts and is designed to be compliant with USCIS policy and securities laws.

Team

CAP^UUNITED

Registered Investment Advisor |
capunited.com

Capital United is a SEC-Registered Investment Advisor and real estate financial services firm whose principals have navigated various market cycles, and possess a proven track record in the EB-5 industry having raised more than \$370M over the past 5-years, and delivered over \$4 billion in career commercial real estate dispositions and real estate developments. Capital United has extensive relationships within the EB-5 industry, including personal relationships with many Chinese immigration agencies, that are constantly nurtured through extensive international travel and a fulltime network relations team member in Beijing.

NES Financial

Fund Administration |
nesfinancial.com

NES Financial is the industry leader in EB-5 funds administration, and a Silicon Valley financial technology (FinTech) company providing technology-enabled solutions for the efficient back and middle office administration of complex financial transactions. Serving private equity, commercial real estate, and Fortune 1000 clientele, NES Financial provides value through investor transparency and creation of reports to assist NCEs in I-829 adjudications. As the leading provider in the EB-5 industry, in many cases NES Financial will provide EB-5 investors with consistency because they already provide fund administration services to the NCE.

charles SCHWAB

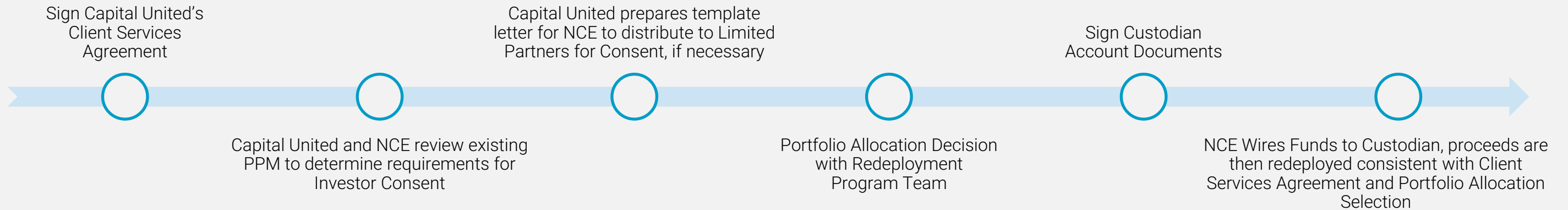
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schwab.com

The Charles Schwab Corporation is a bank and brokerage firm, based in San Francisco, California. It was founded in 1971. It is on the list of largest banks in the United States and is one of the largest brokerage firms in the United States. The company provides services for individuals and institutions. The company offers an electronic trading platform for the purchase and sale of financial securities including common stocks, preferred stocks, futures contracts, exchange-traded funds, options, mutual funds, and fixed income investments. It also provides margin lending, and cash management services. As of December 31, 2016, the company had 10.155 million active client brokerage accounts, with \$2.779 trillion in assets.

Redeployment Program Earned RIA Fees | Steps of Engagement

RIA Fee: 1.00% paid quarterly, in arrears

Greystone Fund or Municipal Bond Portfolio Next Steps



Private Loan or Investment Next Steps

