



Private Lender Opportunity Information

Who Are We?

DTCHomes LLC is a professional, full service real estate solutions firm that buys and sells properties throughout Hawaii and the U.S. Mainland. Founded by father and son team, Greg and Brenton Liu, DTCHomes is proud to provide real estate services in the following areas:

- Residential Redevelopment
- Short Sales/Loss Mitigation
- Real Estate Investment
- Foreclosure Solutions

Completing in excess of 30 million dollars in mid- to high-end real estate redevelopment and renovation since 2005, DTCHomes is excited to be part of the island's renaissance and we aspire to continue contributing to the economic rejuvenation of Oahu and its neighboring islands.

Since its inception, DTCHomes has passionately pursued the goal of helping people in our community find an answer to their real estate and property needs. Our organization is proud to be a member of the Better Business Bureau and has been an upstanding member in the greater Honolulu area for many years.

THE STORY OF DTCHomes, LLC

From the beginning Greg, with his son Brenton, have had a goal to work together in design and property renovation doing what they love, and wanted to share their passion of the transformation of real estate with others. Through the years, they've developed a solid foundation in property renovation, construction, and design knowledge, the expertise necessary to navigate any transaction in their field, and have the integrity to follow up on promises.

Early on in the development of their residential contracting company, DTC Hawaii, they carved their niche in construction performing medium to high-end residential renovations. They realized that there was a distinct need for certain real estate services and decided to establish DTC Homes which, in collaboration with DTC Hawaii, will offer a package of services that now also includes real estate investment and redevelopment along with their expertise in renovation, construction and design.

Important Facts About DTCHomes

- Leading full service real estate solutions company in Hawaii, specializing in buying, selling and redevelopment of property
- Founded by Greg Liu of DTC Hawaii with over 20-years of experience in property renovation, design and construction
- Involved in mid- to high-end real estate redevelopment and renovation since 2001
- Focused on providing solutions for clients and value for investors by locating and renovating both high-end & distressed properties
- Our goal is to provide the absolute highest level of service to our clients

Who Are We?

OUR BACKGROUND

A family-owned company, Design Trends Construction has been a licensed General Contractor in the State of Hawaii since January 2001. Greg Liu, President and CEO, brings over 20-years experience in residential construction, interior design and remodeling as director of the company.

As a licensed General Contractor, Design Trends is able to bring a “turnkey” approach to their renovations. From interior design to the completion of all renovation work, Design Trends has developed a “start-to-finish” plan which allows for fast, efficient and quality work for their clients.

We take the construction process from start to finish, including kitchen, bath, and entire home remodeling. Our talented, award-winning design team will help you through the planning process and getting a full set of licensed plans. After the layout is in order we get involved with colors, finishes, and design options for the home.

Our project management department then oversees the entire process, ensuring an efficient and properly scheduled project. We perform all demo, framing, and finish work in-house with our employees which gives us the control we need to provide efficient and quality work for your project. Every effort is made to keep your project on track, in budget, and as enjoyable as possible.

We have been able to take this approach into the Property Acquisition and Investment side of our business as well. As experienced Project Managers and Renovation Experts, we are able to take any project from start to finish: from Purchase, to Renovation, and Resale.

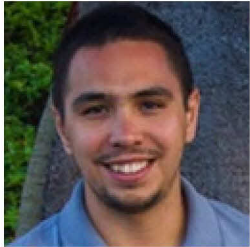
Our company works with a knowledgeable team of top Realty Investment Specialists, Real Estate Agents, Mortgage Brokers, and other Creative Finance Experts to help everyone from first time home-buyers to seasoned investors.



Company Leadership & Team



Greg Liu, Senior Managing Member



Brenton Liu, Managing Member

Trisha Liu, Admin Manager

Bryson Liu, Marketing

Beth Liu, RE Acquisitions

Maxine Robson, RE Agent

Whitney Liu, RE Staging / Interior Decor

At DTCHomes, our in-house team is highly motivated, knowledgeable, ethical and resourceful. Qualified to handle any real property transaction, our dedicated staff is committed to helping people with their real estate investment needs and making successful deals happen. Our team of professionals has the expertise to navigate any transaction and the integrity to follow up on our promises.



Our Mission Statement

When a passion for real estate is combined with talented individuals who have the skill and an uncompromising drive to succeed, amazing things happen. At DTCHomes, it's our goal to not only have a positive effect on ourselves and our families - but also to inspire, motivate and create lasting change in each community and person we encounter.

We treat our clients and team members with respect at all times. Our company is dedicated to Professionalism, Integrity, Knowledge and Efficiency - through the pursuit of excellence in service and professional growth.

"We're highly motivated, knowledgeable, ethical, and qualified to handle any real estate transaction. We are committed to helping people with their real estate needs and making successful deals happen."

EDUCATION AND CERTIFICATIONS:

DTC Hawaii: HI Licensed General Contractor #

Greg Liu: Chaminade University, Interior Design / University of Hawaii at Manoa, BA

Brenton Liu: NKBA's 30 under 30 Award 2016 for overall excellence in the industry

Brenton Liu / DTC: 2017 BIA / NKBA Phil Zwedyk Award (overall best kitchen design)

2017 BIA/NKBA Maika'i Loa Award (best kitchen under \$75,000)

Design Trends Construction: 2016 BIA / NKBA Merit Award (commercial renovation +16,000 sf)

ACCREDITATIONS:



Company Business Model

OVERALL INVESTMENT APPROACH

Our overall investment strategy and specialty is to purchase homes at a deep discount – be these distressed properties or off-market – usually 30% to 50% below market value, and renovate and sell those properties to retail homebuyers, landlord or other real estate investors.

At DTCHomes, we pride ourselves on having a strong foundation of real property knowledge and training. Our focus is on providing SOLUTIONS for our clients and finding VALUE for our investors by locating properties whose value we can raise significantly via renovation.

We focus on both mid and high-end properties that can see highly appreciated value through a high-quality remodel and design, as well as distressed or even vacant properties that can greatly benefit from renovation and be put back into use and into the retail real estate market.

Our core business lies within our systems, education and knowledge of the real estate industry. We have spent much time, and money, to learn how to be successful in this business and do it the right way the first time. Through our affiliations, we are connected with a national network of investors that provide continual support and weekly trainings on changes throughout our industry.

This process has allowed us to circumvent many pitfalls most novice investors would make. Learning the hard way is not a phrase in our vocabulary, and we certainly would not ask anyone to invest with us if we weren't confident enough to invest ourselves!

Our Business Strategy

- We purchase distressed residential properties 30%-50% below current market value
- We purchase, renovate and sell these properties to retail buyers, landlords and other RE investors

We Follow A Strict Due Diligence Process

We have a systematic and disciplined approach when purchasing investment properties, putting each potential investment through a strict due diligence process. This rigorous set of criteria includes, but is not limited to, the following:

- Comparable property analysis and examination by an certified, independent appraiser
 - An economic study of the neighborhood, city planning and development
 - Demographics of area, marketability, and growth potential
 - Statistics on the crime rate
 - Public transportation and schools
 - Overall condition of the property, including heating and air, plumbing, electrical, roof and structural
-

Company Business Model

WHAT'S OUR COMPETITIVE ADVANTAGE?

Our company can acquire great deals on properties because we have the ability to act quickly and can close with CASH on the seller's timeline. This is why we can buy properties at such a discount. Obtaining loans through private money lenders gives us this competitive advantage over other investors who sometimes take weeks to go through the time-consuming bank approval process in order to purchase properties.

We have an aggressive TEAM approach, and a top-notch ability to expand our client base through our knowledge of deal structuring and advanced real estate techniques.

We also employ marketing strategies as soon as we purchase a home – giving us a fair advantage over a realtor. Typically, most realtors don't spend time or money on marketing or lead generation strategies. As a result, it can sometimes take months to attract potential buyers. Often times, we are able to find our own buyers allowing us to secure a strong sales price and save on sales commissions.

Our renovation process is also down to a science with our own construction teams, as well as our handpicked, proven contractors who know we are not retail clients. We pay wholesale prices to all contractors and subcontractors, and typically receive bulk discounts on all materials.

Investing with us also provides a win-win for the homeowner as well. With your cash funding, we can offer homeowners something that very few buyers can. We are helping sellers by purchasing their homes on their timeline, in as little as 10-14 days.

Knowing that we're going to renovate the home and we are buying in as-is condition is a very important factor to sellers who live in older, outdated homes, or those needing repairs. These sellers will also not be required to pay any attorney fees, closing costs, home warranties, inspection fees, realtor commissions, etc. We are not the perfect fit for everyone; but for the seller with the right motivation, these features are a necessity.

Advantages to Working With Us

- We have the experience, business systems and knowledge to purchase properties QUICKLY and with CASH
- We create value by finding ugly, vacant homes and putting them back in use after renovation
- We pay wholesale prices to all contractors and typically get bulk discounts on all materials
- We have a creative marketing system to find and purchase properties before they're ever listed
- We find our own buyers allowing us to secure a strong sales price and save on sales commissions

Company Business Model

DTCHOMES VS. TRADITIONAL BUYER

Here are just a few benefits sellers have of working with DTCHomes to sell a home:

- ✓ **CASH OFFER**
- ✓ **NO COMMISSION**
- ✓ **QUICK CLOSE**
- ✓ **NO FEES**
- ✓ **PAY NO CLOSING COSTS**
- ✓ **WE BUY THE HOUSE AS IS**
- ✓ **NO APPRAISAL**
- ✓ **NO LENDING RESTRICTIONS**

Most homeowners have no idea what options are available to them beyond listing a house with a Realtor or trying to sell the house on their own and just hoping for the best. We provide a unique alternative to listing their house on their own or with a Realtor.

When we work directly with a home seller, what we provide can not only make for a smooth transaction, but it can also add up to thousands upon thousands of dollars in savings as compared to selling a home through traditional means. Our “out of the box” creative approach to real estate investing is a cut above the rest.

How Do We Compare to a Traditional Buyer?

Comparison	Traditional Buyer	DTCHomes Properties
Method of Payment	Bank Financing	CASH
Repairs	1-8% of Homes Value	None (Sold AS-IS)
Closing Timeframe	45+ Days	10-14 Days
Commissions	6% of Sale Price	None
Seller Paid Closing Costs	1-6% of the Purchase Price	Zero
Appraisal	Mandatory	None
Seller assistance	None	Flexible terms

Company Business Model

INVESTMENT BUYING CRITERIA

Our goal is to buy distressed homes in stable areas where there is still strong buying demand. Part of our grand vision is to improve the overall quality of living in both urban and suburban neighborhoods. In addition to improving overall quality of life, we are committed to increasing the value of real estate in our community.

Our company builds value by rehabilitating properties that are in significant need of repairs. We are able to target distressed properties and breathe new life back into them by renovating and improving the condition of the property. By doing so, we are able to create beautiful homes and encourage home ownership.

Types of Properties We Target

- Distressed properties in significant need of repairs
- Properties where sellers need to sell quickly
- Properties owned free and clear

The ability to identify a wise real estate investment is certainly a learned skill. We have been thoroughly trained and possess this skill - along with the intuition to spot these great investment opportunities in today's market.

Not every opportunity is a "good deal", and we have built our company on a stable foundation knowing our numbers. If the numbers don't make sense to us it certainly won't make sense to our investors. Our goal is to be in business for many years and brand a company that will be passed down to our children, which cannot be accomplished by taking uncalculated risks.



Bath Renovation in East Honolulu by DTC

Private Lending

WHAT IS PRIVATE LENDING?

A private money loan is a loan that is given to a real estate investor, secured by real estate. Private money investors are given a first or second mortgage that secures their legal interest in the property and secures their investment. When we have isolated a home that is well under market value, we give our private lenders an opportunity to fund the purchase and rehab of the home. Through that process, the lender can yield extremely high interest rates – 4 or 5 times the rates you can get on bank CD's and other traditional investment plans.

Sources of Private Money:

- 401k
- Self-Directed IRA
- Profit Sharing
- Personal Savings, Trust Fund, or any other money sitting around...
- Many are TAX DEFERRED PROFITS

Essentially, private money lending is your opportunity to become the bank, reaping the profits just like a bank would. It's a great way to generate cash flow and produce a predictable income stream - while at the same time, provide excellent security and safety for your principle investment. You can do what the banks have been doing for years...make a profitable return on investments backed by real estate. There is no other investment vehicle like it.

“Through private money lending, you have the opportunity to become the bank.”

HOW THE PROCESS WORKS

The process is simple. We find an extremely undervalued property we want to purchase - and once you give us the green light, we borrow the funds from you to purchase and renovate the property. At closing, you receive a mortgage on the home along with other important documents. Next stage is the property renovation. Once the renovations are complete (typically 3-6 months depending on the size of the project), we'll list and sell the property. When it's time for closing, you'll receive your principle plus 10% interest payment. It's just that simple! The goal is to keep turning that money for you and keep you making substantial profits so you keep coming back to us – building a long term mutually beneficial relationship.

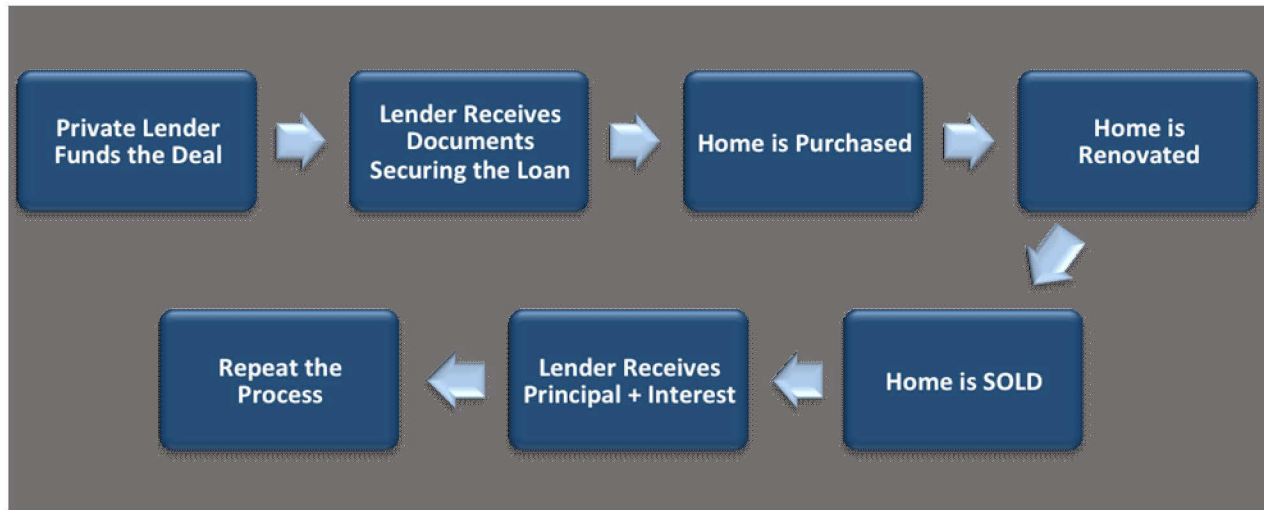
Typical Hold Time:

Rehab Flip: 3-6 months

Wholesale Flip: 3-15 days

Private Lending

OVERVIEW OF THE PRIVATE LENDING PROCESS



WE PROTECT OUR LENDERS

Mortgages offer the banks solid, long-term, fixed returns. You can put yourself in the position of the bank by directing your investment capital, including retirement funds to well-secured real estate mortgages. Mortgages have ultimate safety because if default occurs, the bank can recover its investment as the first lien holder on the property.

Each property we acquire is put through a rigorous evaluation process in order to assess the profitability before the property is ever purchased. "Integrity" is an essential part of our business, and we only make sound investment decisions. Also, for your protection, you are also provided these documents to secure your investment capital:

Promissory Note: This is your collateral for your investment capital

Deed of Trust/Mortgage: This is the document that is recorded with the county clerk and recorder to publicly secure your investment against the real property that we are providing as collateral

Hazard Insurance Policy: This is where you as the private lender would be listed as the "Mortgagee" for your protection in case of fire or natural disaster, etc.

Investment Terms & Conditions

TERMS & CONDITIONS

Minimum Investment:

When working with private lenders, \$50,000 is our minimum standard investment. When first investing with us, a lower initial investment amount may be agreed upon to ensure your confidence in working with our company.

Mortgage Terms:

The majority of our loans are set up on an 8-12 month note; however, it depends on the size of the project. If we are doing a teardown and rebuild, we will have to wait on the county inspectors for many approvals - thus causing delays.

Investment Terms & Conditions

- Minimum Investment - \$50,000
- Interest Rate - 10% on average
- Payment Schedule - paid monthly on the 1st of the month
- Mortgage Terms - 12 months (*projects usually completed in 3 to 6 months*)
- Return of Principal and Interest - paid back at closing
- 1st or 2nd Lien position
- Option to renew
- All documents recorded

We account for all of those details upfront and will give you estimated time frame for the return on your investment. Also, we do not pool funds - your funding will be tied to one piece of property secured by a deed of trust.

Payment Schedule:

Typically, we pay one large lump sum at closing on a short-term note. This is much easier to manage for both of us, especially if we're working out of a retirement account. On a longer note, we will pay monthly just like a typical mortgage.

1st or 2nd Lien Position:

The Investor, as "mortgagor," has the right of first lien holder and Power of Sale on the property. The 1st lien position is placed behind a senior mortgage. You are probably used to hearing the term first and second mortgage. The second mortgage is a junior lien because it's in 2nd position. The senior lien or first mortgage must be paid prior to the 2nd lien.

In The News



Cover Issues of Hawaii Home Remodeling Magazine



ADU Planning Presentation by DTC; KITV Hawaii Evening News

Taking the Next Steps

GETTING STARTED WITH US

If we haven't had a chance already, we can sit down and discuss all of these details with you in person. We can define a clear definition of what your goals are, i.e. long term investment or short term, and the amount you are comfortable initially investing. At that point, we will present you with any current opportunities that fit that criteria or contact you with one that fits your needs.

If you have an interest in this opportunity, please contact our office by phone at 808-930-9850 or feel free to send us an email:

Greg Liu: Greg@dtchomesllc.com
Brenton Liu: Brenton@dtchomesllc.com
Website: www.dtchomesllc.com



DTC Rehabbed home in Federal Way, WA

Frequently Asked Questions

What if the market gets worse and values go down?

This is a great question and valid concern. However, our strategy is not to speculate 3 years down the road. Our goal is to purchase quickly and sell even faster. Most of our projects are complete in 2-3 months and will be sold in 4-5 months. The market doesn't tend to shift that dramatically in a matter of months - it's typically a longer process for an area to decline, and buying in strategic areas where inventory is already low and demand is high; this greatly minimizes risk.

What interest rate do you typically pay your private lenders?

We currently pay 4-5 times what a typical bank CD is paying. Our rates will fluctuate very little all depending on the purchase price and rehab involved. Most of our lenders are paid from 10-12%. Lower the purchase prices sometimes allows us to pay a higher rate to make it's worth our lenders time.

How long will my funds be held?

The majority of our loans are set up on an 8-12 month note, but it depends on the size of the project. If we are doing a teardown and rebuild, we will have to wait on the county inspectors for approvals. This may cause delays, but we account for all of the details upfront with an estimated ROI time frame.

When will I receive payments?

Typically, we pay one large lump sum at closing on a short-term note. This is much easier to manage for both of us, especially if we're working out of a retirement account. On a longer note, we will pay monthly, just like a typical mortgage.

Is there a Guarantee on your investment?

No. There is no government backed guarantee on these privately held real estate notes. You're deriving protection from the equity in the real estate. If at any time we were to default on the note, you have legal right to take the home (essentially foreclose on us).

Is the IRS approved to use retirement accounts in this manner?

Yes, these are established tax guidelines, and it is completely legal. However, we always recommend the services of a custodian to invest retirement funds tax deferred or tax-free.

Who buys Insurance?

We do. We pay for a title search and also a title policy on the home, just as we would in a typical transaction. We also purchase a builders risk policy (Vacant Dwelling Policy), in case of any damage, insurance distributions would be used to rebuild or repair the property, or used to pay you off.

How much is it going to cost me to lend to you?

It is our policy to pay for all the closing costs so that your entire investment goes to work for you. We will pay for the closing agent, document preparation fees, notary fees, overnight mail fees, bank wire fees and recording costs. We do not charge any fees or commissions to our private lenders.
