

## 해외 건설기업이 바라보는 한국 건설시장 - Kozar Investment Development -



Mazi Zarrehparvar CEO of KOZAR Investment Development (코자투자개발)

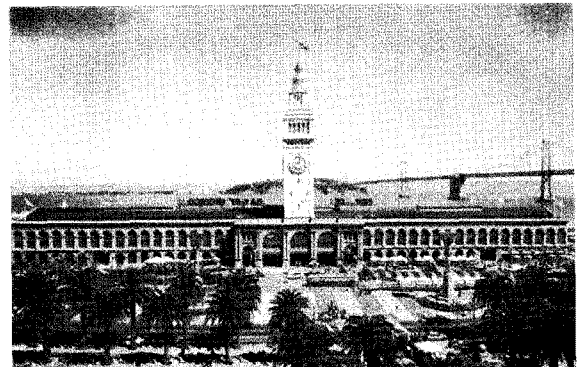
### Kozar Investment Development:

Kozar Investment Development is the Korean subsidiary of Kozar LLC, a California corporation formed in early 2007 for the express purpose of undertaking large scale urban development project in Korea. We provide offerings and expertise in full complement of real estate investment products and services for institutional and private clients. Kozar LLC partners include such famous US real estate asset management stars as Terry Fancher and Warren Otto who combined manage over \$9 billion dollars in US pension fund real estate assets. Their portfolios include such famous assets as New York's Time Warner Building. Tom Sullivan, principle of Wilson, Meany, Sullivan, and also a Kozar partner, is a privately owned real estate investment and development company focused on high quality, infill locations throughout the US. WILSON, MEANY, SULLIVAN is currently developing some of the largest projects in the US including Treasure Island, Bay Meadows, Hollywood Bowl, and the Sahara Casino in Las Vegas. Kozar is the exclusive operating company managing these partner's and their firm's activities in Korea. Mazi Zarrehparvar (Myself), CEO of Kozar, is a

former Morgan Stanley banker and has over 15 years experience in real estate development and finance.

### Our Portfolios in the US:

- HISTORIC RENOVATION : THE FERRY BUILDING, San Francisco, California.



- OFFICE&RETAIL : FOUNDRY SQUARE, San Francisco, California.

Foundry Square is one of the most innovative recent

office development projects in the United States.



• RESIDENTIAL & RETAIL : SHIPLEY SQUARE, San Francisco, California

Shipley Square provides high quality, high-density housing in a secure environment within its urban setting. Inspired by the courtyard apartment houses of Paris, the five-story Shipley Square includes seventy-eight one-, two-, and three-bedroom apartments arranged around a large, landscaped courtyard.



• RETAIL: BROADWAY POINTE, Walnut Creek, California.

In 1997, principals of WMS, in joint venture with David Word (a former partner of William Wilson & Associates) and Bank of America, acquired land at the

northeast corner of East Mt. Diablo Boulevard and Main Street in downtown Walnut Creek, and developed Broadway Pointe, one of the premier retail properties in the East Bay.



### Mazi and the birth of Kozar Investment Development:

My journey to Korea began as a young traveler on the eve of Kim Young Sam's inauguration (February 24, 1993). I lived in Pusan and taught English at MBC radio. In those days there were very few westerners living in Somyon (서면, 부산) and it gave me a chance to really get to make -Korean friends and visit many historical sites such as Keung-ju(경주), Jinju(진주) and Kwang-Ju(광주). We also were very impressed by Taejon Expo (대전 엑스포).

Since then Korea has been an important part of my personal and professional life. In the late 90s I came back to Korea as a construction executive with Hensel Phelps in a Joint Venture with Samsung Construction, after we finished building Samsung Electronics a Mega Fabrication (삼성전자 반도체 연구센터) in Austin, Texas, and again in the early 2000s as a Morgan

Stanley banker (모건스탠리 투자은행) advising the Korean government—including former Mayor Ahn San Soo of Incheon and Park Gwang-Tae of Gwangju. Having been involved in real estate both as a builder and financier, I always wanted the chance to be a project sponsor who creates and carries out the project from birth to finish. In late 2006 the chance came to me when one of my Korean business mentors, a famous Korean developer with whom the bank had been dealing, left Korea and abandoned several good projects. I resigned from the bank immediately and took over two projects, one of which (Hyangsan)(형산프로젝트, 부동산개발) is progressing very slowly and the other of which (Naeduk) (내덕프로젝트, 김해시 소재, 부동산 개발) has had remarkable progress.

I have had critical support from Invest Korea Plaza (IKP), KOTRA and the Ministry of Knowledge Economy, even setting up my office at the IKP. With their assistance, I opened a company in Korea in early 2007, hired a team of experienced Koreans, including one former Samsung executive to become our Korean country manager, and began the complicated process of liaising between land owners in the South and pension fund investors in San Francisco and Chicago.

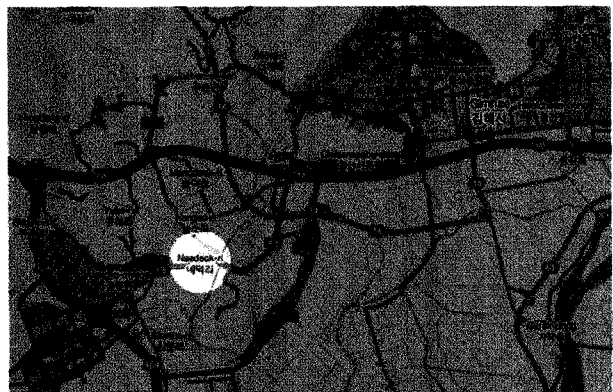
**Naeduk Project (내덕 프로젝트, 김해시 소재, 부동산 개발):**

Naeduk project (pictured below) encompasses 537,900m<sup>2</sup> (163,000평) of farm land in Jangyu Myun(장유면), Kimhae City(김해시), Keung sang nam Province(경상남도), which we have re-zoned, with the help of Korean Engineering firm and the Land Owners Association, as a high density (type III) residential (제3종 일반 주거지역), commercial and market area (중심상업지구). Over the past 3.5 years,

we have collaborated with Kimhae City(김해시) and Keungnam (경상남도) urban development officials, and former Mayor Kim, Jong Gan and former Governor Kim, Tae Ho, to create a plan that would meet the needs of a rapidly growing city with the right mix of open space, infrastructure, private development and public amenities. Kozar owns the development rights to 1,100 apartment units and 90,000 m<sup>2</sup> of retail within a compact 537,900 m<sup>2</sup> mixed-use Transit Oriented Design (TOD) development. By 2017, Jangyu Station (장유역) will open in the middle of our site and we will have built over 40 billion won of infrastructure paid over 30 billion won in levies and taxes and we expect over 3,000 people to call this new area home.



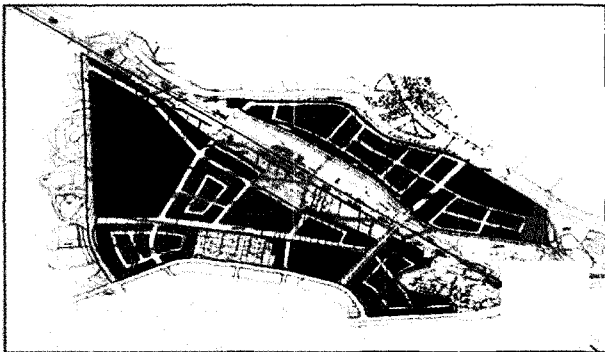
Kozar LLC와 김해시, 내덕지구 도시개발사업 MOU 체결식 (김종간 (전)김해시장, 김태호 (전)경남지사, Warren Otto(CFO of Wilson, Meany & Sullivan), Mazi Zarrehparvar, CEO of Kozar LLC.



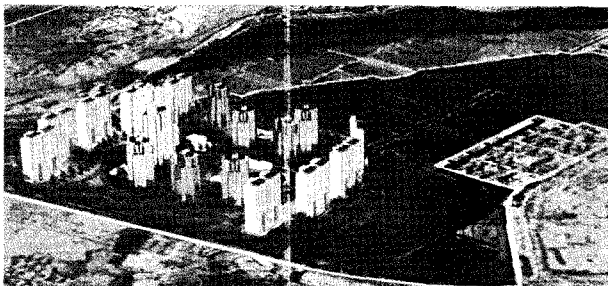
사업지 위치도



내덕-장유지구 개발 조감도



내덕-장유지구 지구설계도



3D CAD with Time 프레임을 이용한 지구설계

### Challenging of the Project:

There have been many challenges to overcome in terms of communication, business methods and reconciliation between differences in the government's role in urban development in Korea vs. the US. Korean urban development law is, in some aspects, more engineering and less design and market driven than the American system. On the other hand, our American investors expect a level of documentation and transparency which, at times, has been hard to achieve on our projects. The Korean business system is much more based on trust and friendship than, sometimes, our contract driven investors are comfortable with.

The methods of Naeduk Project are unique in

several respects:

1. We are the first foreign investors specializing in Korean urban development using the replotted land (환지) method of development.
2. We are the first example to bring together long term oriented American pension fund investors with Korean land owners trying to make the transition to non-farming life.
3. We are the first foreign investors to marry American and Korean design in a unique urban design format.

### Ending :

We have come a long way on both sides in terms of mutual understanding and are ready to expand our business in Korea substantially. We are currently in talks with a major US real estate fund about becoming their Korean urban development team. We are currently exploring projects in Jin-Ju, Pyun-Tek, Yong-In and In-Cheon.

We believe that the greatest long-term success is achieved through mutually beneficial relationships with investment partners, lenders, cities, designers, consultants, and others with whom, in cooperation, we accomplish our objectives. Through these relationships we have earned our most precious asset—the trust and confidence of our partners. That trust, and our commitment to safeguard it, is the bedrock of our business.

Whether through new construction or by repositioning existing properties, our objective is to create signature assets that will outperform the market over the long term. To create properties of lasting value, we emphasize quality in every aspect of development, including location, concept, design, construction and execution.

I am happy to answer any questions and can be emailed at:

• Mazi Zarrehparvar e-mail : mazi@kozarllc.com