



promanas

COMPANY OVERVIEW

OCTOBER 2017

October 10, 2017

Founded in 2008 by John Bogdasarian, Promanas is a full-service, private equity real estate investment firm based in Ann Arbor, Michigan. The Company was founded with one goal in mind – leverage our real estate expertise to provide friends and family with the opportunity to invest in real estate without the headache of personal ownership. What started as six friends and family has grown to over 300 accredited investors with more than \$250 million in real estate assets under management.

Our investment criteria is not driven by geography or asset type. We search for investment opportunities that generally fit one of three categories: Cash Flow, Value Add or Development. Regardless of where we are in the real estate cycle, experience has taught us that attractive investment opportunities can be identified.

The Promanas team oversees and manages every aspect of investing in real estate. We vet hundreds of potential acquisitions and development opportunities to find an acceptable project. We manage all assets in-house and do so with tight controls and strict oversight. We communicate with investors regularly and are available to answer questions any time. We pride ourselves on operating with 100% transparency.

Our advantage lies in the relationships we have developed over many years in the real estate industry -- the network of investors, lenders, brokers, developers and many others who make what we do possible. Equally as important is the team we have assembled to make it all happen behind the scenes.

After reviewing this brochure, please feel free to call or email me directly or stop by our office to meet our team in person.



John Bogdasarian, President

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DEVELOPMENT INVESTMENTS

PF4, LLC (Promanas Fund 4)

PF4 is our latest investment vehicle that focuses on thoroughly vetted development projects in select markets across the US. We (Promanas, on behalf of PF4) seek out and interview 100's of Developers (with deals in hand) in order to find the very best locations and the very best macro market conditions. We look for the best product type, development team, and project fundamentals and then we put up 100% of the money needed to complete the deal. We have majority ownership and 100% control of every deal we commit to and invest in.

PF4 is a blended entity, meaning investment dollars are diversified across our first project, as well as those that we add or commit to (with a majority vote from members) by June 30th, 2018. The first project in PF4 is the development of an Element Hotel by Westin in downtown Denver, CO. The second project in PF4 is a 52-unit condominium development project located near the campus of Denver University. The third project in PF4 is a 56 unit condominium development project located in the Jefferson Park of Denver, CO (very close to Mile High Stadium – home of the Denver Broncos). PF4 will finalize all capital placement and close the fund to new investment dollars by June 30th, 2018. We believe this diversified fund structure provides excellent upside while greatly protecting the downside.

Inception	2017
Target Fund Size	\$100 – \$150 million (gross asset value)
Target Investor Capital	\$30 – \$50 million
Minimum Investor Commitment	\$100,000
Preferred Return	7% (paid before any Promanas return is paid)
Investment Period	Fund closes no later than June 30, 2018
Projected Term	5 years
Projected Returns to Investors	15+%
Asset Types	Residential & Hospitality
Status	Open to new investor capital

CASH FLOW INVESTMENTS

PF3, LLC

(Promanas Fund 3)

Promanas' flagship fund, PF3, is a well established investment vehicle that focuses on providing consistent cash distributions and predictable returns to investors. Since inception in 2009, PF3 has distributed at least 7.5% on equity per annum to its over 250 accredited investors. In addition, investors have realized further returns in the form of unit appreciation due to debt reduction and reinvestment of excess cash flow. PF3 assets generally fit the following criteria:

- Properties leased to reputable tenants that can support stability of cash flow through rental payments
- Purchase price per square foot that is below replacement value
- Properties located in established areas that have high barriers of entry and potential for population and job growth
- Properties with leases in place that are at, or below, market rates

PF3 is closed to new investment dollars.

Inception	2009
Number of Investors	250+
Total Equity (including unit appreciation)	\$67+ MM
Asset Value	\$200+ MM
Total Square Feet	2.7+ MM
Number of Properties	35
Asset Types	Industrial, office, flex, retail
Status	Closed to new investment dollars

PF3 ASSETS - SAMPLE

The following is a sample of current holdings.

GLOBE STREET

11820 GLOBE STREET, LIVONIA, MICHIGAN

Globe Street is a 137,750 square foot industrial property located in Livonia, Michigan. We acquired the property in February 2015 for \$4.67 MM. At that time, Toyota occupied the entire building on a lease through May 2017 at rental rate of \$4.16/ft., which we felt was well below market. In addition, the property was in excellent condition, which meant our purchase price was well below replacement cost. It was clear to us that the market for industrial space was tightening and rental rates were set to increase as market vacancy decreased. As Toyota's lease expiration neared, we began to market the space for lease to a new tenant. In September 2016 we signed a new 7-year lease with Cooper-Standard at a rental rate of \$5.50/ft, which represents an increase of more than \$180,000/year to our bottom line.

Acquisition Cost	\$4,670,000
Original Equity	\$2,420,000
Original Loan Amount	\$2,250,000
Loan Terms	4.75%, 10 / 20 (Term/Amort.)
Net Operating Income (acquisition)	\$573,040
Net Operating Income (current)	\$757,625
Debt Service	\$174,480
Current Value (implied)	\$9,000,000 +
Cash-on-Cash Return (acquisition)	16% +
Cash-on-Cash Return (current)	24% +

VALUE ADD INVESTMENTS

Not all deals we come across fit the in-place, consistent cash flow model of PF3. These assets typically have little to no cash flow in place and/or require significant investment to unlock their potential value. The following is a sample of a few investments we have made that we consider Value Add.

TROLLEY INDUSTRIAL PARK

21100 – 21150 TROLLEY INDUSTRIAL DRIVE, TAYLOR, MICHIGAN

Trolley Industrial Park is a 243,000 square foot industrial property in Taylor, Michigan. We acquired the property in July 2014 through a note purchase for \$1.35 MM (previous ownership defaulted on the mortgage and the property was under managed and in disrepair). At the time of our acquisition, the property was 70% occupied by two tenants, both with little or no lease term remaining. One tenant occupied 120,000 square feet (~50%) at well below market rent and the other tenant occupied 40,000 square feet on a month-to-month basis. The remaining 83,000 square feet was vacant and in need of significant repairs. We raised \$2.4MM from investors to purchase the note and fund the cost of repairs.

Over the following two years we were able to make the repairs and upgrades necessary to lease the vacant space, replace the below market tenant and sign the month-to-month tenant on a multi-year lease. With the property stabilized, we obtained financing at an implied value of over \$9 MM and were able to return 100% of investor capital plus \$1.8 MM in additional return. With all investor capital repaid (and all risk off the table), we continue to own and operate the property to this day.

Acquisition Cost	\$1,350,000
Original Investor Capital	\$2,400,000*
Net Operating Income (acquisition)	\$300,000
Net Operating Income (current)	\$1,008,000
Annual Debt Service	\$402,000
Annual Cash Flow	\$606,000
Current Value (appraised)	\$9,150,000

*Original investor capital was returned to investors in September 2016, in addition to a 6% preferred return paid monthly along the way. Total return to investors was \$1.98 MM over 26 months. Investors continue to own their pro rata share of the entity and receive quarterly distributions.

CROWN POINTE OFFICE CENTER **25900 GREENFIELD ROAD, OAK PARK, MICHIGAN**

Crown Pointe is a 266,000 square foot multi tenant office building located in Oak Park, Michigan. We acquired the property in January 2015 out of receivership for \$3.15 MM. At that time, the property was 60% occupied and generated a net operating income of approximately \$400,000. The property was severely undermanaged, and ownership was unwilling to invest in capital expenditures, tenant improvements and leasing commission necessary to attract and retain tenants.

The deal was presented to us under a strict time frame – 7 days to raise \$3.6 MM and close on the purchase (\$3.6 MM represents acquisition cost plus prefunding of a reserve account to fund capital expenditures, leasing commissions and tenant improvements). As part of the deal, we acquired an outlot to the property which was occupied by a fast food restaurant on a ground lease. Prior to our purchase, the fast food tenant indicated their preference to split the parcel and buy out of their lease. We settled on a price of \$800,000 and completed the parcel split and sale in short order. By this time we had increased occupancy to over 70%.

Within 6 months of our purchase, we obtained financing of \$4.25 MM on a 7 year term / 20 year amortization at 4.95%. This enabled us to return 100% of investor capital, plus an 18% return. In August 2017, we closed on the sale of the property at a sales price of \$11.3 MM.

Acquisition Cost	\$3,150,000
Original Investor Capital	\$3,600,000
Net Operating Income (acquisition)	\$300,000
Net Operating Income (current)	\$1,200,000
Current Value (actual sales price)	\$11,300,000
Current Debt	\$4,000,000
Current Equity (no cash invested)	\$7,000,000

ELIOT HILL CONDOMINIUMS

2323, 2333 & 2345 ELIOT STREET, DENVER, COLORADO

Eliot Hill is an 18 unit condominium development located in the Jefferson Park area of Denver, Colorado (blocks away from Mile High Stadium). The project is a joint venture between Promanas and Dublin Development, a well-respected Denver based development company with a solid track record of completing high quality residential projects in the Denver area. The deal was presented to us in January 2016 as a shovel-ready, fully-entitled project. Our role was to raise the necessary investor capital, secure financing and structure the deal in a way that satisfied all parties involved. We established a relationship with a local lender to secure \$4.4 MM of construction financing. Next, we presented the opportunity to our network of investors and raised \$2 MM of equity in a matter of days. We broke ground in May 2016, construction is nearing completion and we are scheduled to close on the sale of the remaining units by October 2017. The Denver real estate market remains strong and we expect to exceed our projected annual return to investors of 15% on this project.

Sales Price (projected)	\$8,900,000
Project Costs (Construction, Land, etc.)	\$6,250,000
Original Investor Capital	\$2,000,000
Projected Net Profit	\$2,650,000
Project Timeline	21 months

KINGSLEY CONDOMINIUMS

221 FELCH STREET, ANN ARBOR, MICHIGAN

Kingsley Condominiums is a 51 unit condominium development located blocks from downtown Ann Arbor, Michigan (where we live and work). The project is a joint venture between Promanas and the land owner/general contractor. The demand for residential units in and around downtown Ann Arbor has outpaced supply for many years, due partially to the City's reluctance to approve new developments.

We raised \$250,000 from investors to fund the initial cost of pursuing approval from the City, which we felt was the riskiest part of the deal. [In August 2016, the project received full approval.](#) With approvals in hand, we raised the second round of investor capital totaling \$500,000 needed to complete construction documents, marketing materials and preliminary site work. We simultaneously began marketing units and were inundated with inquires and reservations, which allowed us to secure construction financing.

Construction is underway and is scheduled to be completed by Fall 2018. One final round of investor funds of \$4,250,000 was raised to close on the land and put up the equity required by our lender.

Sales Price (projected)	\$47,600,000
Project Costs (Construction, Land, etc.)	\$36,500,000
Original Investor Capital	\$5,000,000
Projected Net Profit	\$11,100,000
Project Timeline	24 months

JOHN BOGDASARIAN **FOUNDER & CEO**



Mr. Bogdasarian has been in the Commercial Real Estate arena since 1996 and has a wealth of experience in acquiring, syndicating, funding, brokering, investing in and developing various projects. Mr. Bogdasarian holds a Real Estate license, Broker License, a CCIM designation and has been a featured speaker at Real Estate conferences around the world where he has enjoyed sharing his wealth of knowledge, experience and enthusiasm for the real estate industry. John and his wife Lindsay reside in Ann Arbor, MI with their four children.

The Promanas Group looks to partner with select real estate developers in various areas of the country that have projects in need of structure and capital. In these situations, the Promanas Group first completes thorough due diligence on a project in order to quantify risk and potential upside. Once a particular project makes it through our due diligence process, the Promanas Group creates an ownership and return on investment structure that protects the interests of its investors. With the exception of reasonable developer fees, the investor capital always comes back first, typically with a preferred return. The Promanas Group handles all of the up front leg work for a project including creation of entity documents, private placement memorandums, operating agreements, and debt financing. Once the investor capital has been raised and the development project has begun, the real estate developer partner takes the reins on the day to day responsibilities with the exception of the books and accounting component which always remains in the control of the Promanas Group. This set of checks and balances is key to protecting the investor capital and the well being of the project.

The Promanas Group is a privately-held commercial real estate investment and management firm. We create investment vehicles designed specifically for accredited investors and manage these investments with tight controls. We attract and retain investors by operating with 100% transparency and following conservative investing practices. We have a proven track record and have consistently delivered substantial returns to our investors since our inception.

Learn more about our offerings:

Visit **promanas.com**



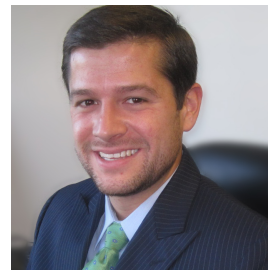
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