

COMPANY OVERVIEW



promanas
REAL ESTATE INVESTMENT

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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 more than 400 accredited investors. Our portfolio includes >3M square feet of property and we have acquired and/or developed more than \$½ billion in real estate assets nationally.

Our investment criteria is not driven by geography or asset type. We search for investment opportunities that generally fit one of three categories: development, cash flow, or value add. 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 projects that meet our strict criteria. 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.

In the years following the Great Recession, development of new real estate projects came to a halt. In select markets, we felt this was an overreaction and began searching for opportunities to invest. We quickly noticed a trend – experienced developers throughout the country had a pipeline of shovel-ready projects in need of the capital and support necessary to capitalize on the opportunities that existed.

Since then, we have partnered with many developer groups throughout the country. A few projects are complete, with many more in various stages of development, sale, and operations. The following pages provide examples of such projects.

With each project, we first perform thorough due diligence in order to quantify risk and potential upside. Once a potential project makes it through our due diligence process, we create a structure that protects the interests of our Investors. With the exception of reasonable developer fees, Investor capital is always returned first, typically with a preferred return.

We handle all up-front leg work for a project, including creation of entity documents, private placement memorandums, operating agreements, and debt financing. Once Investor capital has been raised and the development project has begun, the real estate development partner takes the reins on the day-to-day responsibilities with the exception of the books and accounting component - which often remain in our control. This set of checks and balances is key to protecting the Investor capital and the success of the project.

While no two deals are the same, our development projects have followed a similar structure; Investors receive 100% return of capital *AND* a preferred return (rate varies by project) before we (or our development partner) see *ANY* profit. We feel this is the safest approach to investing in real estate development. We are strong believers of the Warren Buffet quote, “Rule No. 1: Never lose money. Rule No. 2: Never forget rule No. 1.”

To this day, we continue to partner with developers throughout the country to pursue projects in select markets.



Bogdasarian began his career in 1996 in residential sales. Through the completion of countless transactions and accumulation of significant market knowledge, he found there was a void in the market for quality passive real estate investments and shifted his focus to creating vehicles for accredited investors.

John started Promanas with six Investors and has strategically guided the firm that now serves more than 400 Investors and whose portfolio includes >3M square feet of property. John has acquired and/or developed more than \$½ billion in real estate assets nationally.

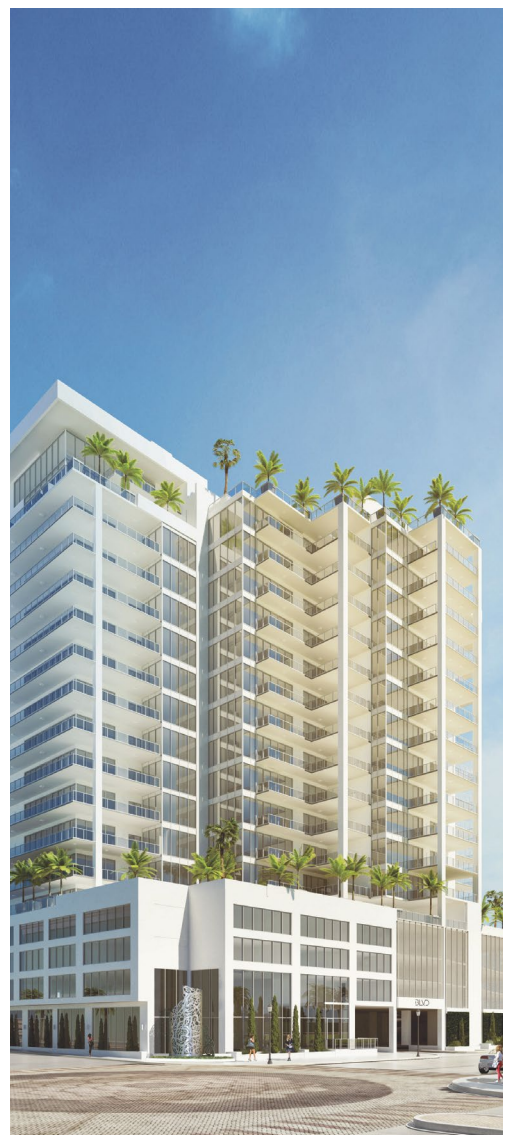
John has a wealth of experience in acquiring, syndicating, funding, brokering, investing in, and developing various projects. Investing in a broad real estate portfolio has taught him the skills needed to achieve his goal of creating value for tenants and Investors. He prides himself on operating the company as a close-knit, boutique firm that creates substantial value.

John holds a real estate license, broker license, a CCIM designation, is a member of the Forbes Real Estate Council, and has been a featured speaker at real estate conferences and podcasts nationally where he has enjoyed sharing his knowledge, experience, and enthusiasm for the industry. John's book, *Do the Work Once, Get Paid Forever - How Smart People Invest In Real Estate* quickly became an Amazon #1 Best Seller.

John and his wife, Lindsay reside in Ann Arbor, Michigan with their four children. They are very involved in the community, sponsoring, and chairing various charities.



JOHN BOGDASARIAN
FOUNDER
PRESIDENT & CEO





BRAD MCFARLANE, CCIM
EXECUTIVE VICE PRESIDENT
CHIEF OPERATING OFFICER

Brad McFarlane manages all Promanas investment fund operations. As EVP | COO and a CCIM, he has a guiding hand in every aspect of the firm: from acquisitions, vetting and underwriting, to asset management and disposition activities.

McFarlane brings a wealth of real estate experience to the Promanas team having played a major role in the over \$½ billion worth of commercial real estate that Promanas has purchased or developed through its private equity funds. As one of the original team members at Promanas, he has enjoyed seeing the Investor base and portfolio grow over the years and is proud of the reputation and track record the company has earned of creating quality real estate investment vehicles for accredited investors.

Brad is a graduate of the University of Michigan.

Today, he enjoys spending time with his wife and young children vacationing on the water in Northern Michigan.



Eric McClelland, CPA
CHIEF FINANCIAL OFFICER

Eric McClelland runs analysis to evaluate Promanas' potential acquisitions, and projects the performance of current holdings. As a CPA, he oversees all financial aspects of the operation. He maintains Promanas' accounting records and produces financial reports for Investors and lenders. In addition, McClelland manages all aspects of the firm's tax reporting.

McClelland enjoys the trust he builds with Investors, who like the track record Promanas has shown over the past 10 years. He believes that real estate is a great way to diversify one's financial portfolio.

Prior to joining Promanas, Eric was a senior accountant at BKD, where he specialized in tax compliance with a focus on financial institutions.

Eric graduated from Eastern Michigan University with a master's degree in accounting.

Today he enjoys getting outside with his family — running, biking, and hiking along the Potawatomi Trail.

ELIOT HILL TOWNHOMES DENVER, CO



Eliot Hill Townhomes was one of our first development projects; an 18-unit townhome development project located in the Jefferson Park area of Denver, CO (blocks from Empower Field at Mile High). The project was a joint venture between Promanas and Dublin Development, a well-respected Denver based developer with a solid track record of completing high-quality residential projects in the Denver area.

The project was presented to Promanas in January 2016 as a shovel-ready, fully-entitled project. Our role was to raise the necessary Investor capital, secure financing, and structure the project in a way that satisfied all parties involved. Promanas established a relationship with a local lender to secure construction financing. We presented the opportunity to our network of Investors and raised the required equity in a matter of days.

We broke ground in May 2016 and closed on the sale of all units by October 2017. Investors received a 12% preferred return BEFORE Promanas or Dublin Development received any portion of the profits.

Total Sales	\$9,000,000
Total Project Costs and Cost of Sales	\$7,300,000
Investor Capital	\$2,000,000
Net Profit	\$1,700,000
Timeline	19 Months
Net Return to Investors (IRR)	16.4% (annualized)

PF4 PROMANAS FUND 4

After the success of Eliot Hill Townhomes, we created a fund to pursue the various development projects in our pipeline at the time – two additional condominium projects in Denver, CO with our partner on Eliot Hill (Dublin Development), two condominium projects with a new partner in Nashville, TN (CA South) and a hotel development in Denver, CO with yet another partner in the area (H&H Hotels/Alliance Investments).

The fund, Promanas Fund 4 (PF4), is a blended entity, meaning investment dollars are diversified across all projects in the fund. There are five development projects in PF4. The first project is the 157-room Element Denver Downtown East by Westin in downtown Denver, CO. The second is a 53-unit condominium development project located near the campus of Denver University, called Observatory Flats. The third project is a 57-unit condominium development project located in the Jefferson Park area of Denver, CO (near Empower Field at Mile High – home of the Denver Broncos) named Jeff Park Flats. The fourth project is Illume, a 77-unit condominium development project located in Nashville, TN - just steps from The Gulch, Nashville's premier urban neighborhood. The fifth and final project is Alina, a 51-unit residential condominium development project located just south of Illume. We believe this diversified fund structure provides excellent upside while greatly protecting the downside.

PF4 is closed to new investment. All projects are in various stages of construction, sales, or operations. The following pages provide an overview of each project in PF4.

Inception	2017
Fund Size	\$110,000,000 (Total Project Costs)
Investor Capital	\$31,200,000
Minimum Investor Commitment	\$100,000
Investor Preferred Return (annualized)	7% (paid before any Promanas return)
Projected Completion	2022
Projected Returns to Investors	15+% (annualized)
Asset Types	Residential & Hospitality
Status	Closed to New Investment

PF4 ELEMENT DENVER DOWNTOWN EAST DENVER, CO

In 2017, we partnered with experienced hospitality developers, H&H Hotels/Alliance Investments, for the purpose of developing an extended stay hotel in the historic Golden Triangle Art District of Denver, Colorado. The hotel is around the corner from the Colorado Convention Center, Cherry Creek Shopping Center, and plenty of restaurants and entertainment options. The hotel opened to guests in August 2019 and operates under the Element by Westin flag.



The hotel features 157 guestrooms, three levels of parking, a breakfast dining area, bar and lounge, fitness center, lobby workstation, market pantry, and a guest laundry area. Guestrooms feature fully equipped kitchens. Additional information can be found on the hotel website.

Operations are off to a fantastic start and exceed expectations. Our plan is to establish a 2-3 year operating track record, and then sell and distribute profits. It is possible that this timeline gets shortened due to market demand. However, to stay conservative, we have set the outside timeline for return of Investor capital through a sale at five years from May 1, 2017.

Hotel Flag	Element by Westin
Hotel Location	1350 Elati Street, Denver, CO
Total Project Cost	\$40,000,000
Capital Structure	\$10,000,000 PF4 Invested Capital \$30,000,000 Debt Financing
Projected Return on PF4 Capital	15+% (annualized)
Projected Exit Date	2022



PF4 OBSERVATORY FLATS DENVER, CO

In 2017, we partnered with Dublin Development for our second residential development project in Denver, Colorado. The first, Eliot Hill, is detailed above earlier.

Observatory Flats is a 53-unit condominium development in the heart of Observatory Park and steps away from the University of Denver campus.



This condominium community is perfect for those looking to live in a highly-desirable and vibrant area. The project includes open-concept kitchen and living areas, modern finishes, a large shared rooftop deck, and a private fitness center. Additional information can be found on the project website.

Construction is complete and we have sold many of the units. Sales are ongoing and we expect to be fully sold by Spring 2021.

Projected Sales	\$20,000,000
Project Costs and Cost of Sales	\$17,000,000
Capital Structure	\$4,700,000 PF4 Invested Capital \$11,000,000 Debt Financing
Projected Return on PF4 Capital	12+% (annualized)
Projected Completion	Spring 2021



PF4 JEFF PARK FLATS DENVER, CO

Jeff Park Flats is a 57-unit condominium development project located in the heart of the Jefferson Park area of Denver, Colorado. This amenity rich neighborhood is full of top restaurants, retail, hot night spots, as well as Empower Field at Mile High (home of the Denver Broncos) and the green space of Jefferson Park itself. Jeff Park Flats is also in close proximity to the Eliot Hill Townhomes, a very successful Promanas project that sold out before construction was complete.



Our partner on this project was Dublin Development. This was our third project with Dublin. They have been great to work with and are a well-respected Denver based development company with a solid track record of completing high-quality residential projects in the Denver area. Additional information can be found on the project website.



Construction is complete. Sales are ongoing and we expect to be fully sold by Summer 2021.

Projected Sales	\$23,000,000
Project Costs and Cost of Sales	\$19,700,000
Capital Structure	\$5,300,000 PF4 Invested Capital \$12,900,000 Debt Financing
Projected Return on PF4 Capital	15+% (annualized)
Projected Completion	Summer 2021

PF4 ILLUME NASHVILLE, TN

In 2018 we partnered with CA South, a Nashville-based real estate developer to pursue our first of many development projects in Nashville, TN. CA South is also our partner on the Alina project in Nashville, TN.



CA South is highly respected in the area and has a great track record of producing results. Illume consists of 77 condominiums with a ground floor retail component. The 5-floor project is steps from The Gulch, Nashville's premier urban neighborhood. Illume is in a walkable neighborhood in a mixed-use, intown, environmentally friendly redevelopment area; located near employers, universities, hotels, a riverfront commuter rail, retail, theaters and entertainment options. The area has exceptional amenities appealing to young people.

Additional information can be found on the project website.



Construction is complete and we have been closing on the sale of units. Under a Nashville city ordinance, these units can be used as short-term rentals, which attracted many buyers wanting to use the units as an investment. Sales are ongoing and we expect to be fully sold by Spring 2020.

Projected Sales	\$35,000,000
Project Costs and Cost of Sales	\$25,000,000
Capital Structure	\$6,800,000 PF4 Invested Capital \$16,000,000 Debt Financing
Projected Return on PF4 Capital	20+% (annualized)
Projected Completion	Spring 2020

PF4
ALINA
NASHVILLE, TN

In 2018 we partnered with CA South for our second project together in Nashville, TN; a 5-story, 51-unit residential condominium development project. The project is located just south of our PF4 project, Illume.



Construction is ongoing and we expect to be complete and have all units sold by Winter 2021.

Projected Sales	\$19,500,000
Project Costs and Cost of Sales	\$16,000,000
Capital Structure	\$4,400,000 PF4 Invested Capital \$9,700,000 Debt Financing
Projected Return on PF4 Capital	15+% (annualized)
Projected Completion	Winter 2021



KINGSLEY CONDOMINIUMS ANN ARBOR, MI

Kingsley Condominiums is a 49-unit condominium development project located blocks from downtown Ann Arbor, Michigan (where we live and work). The project is a joint venture between Promanas and the landowner/general contractor (JC Beal Construction). 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.



Promanas 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 to complete construction documents, marketing materials, and preliminary site work. 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.

Construction is complete and we have sold more than half of the units. Sales are ongoing and we expect to be fully sold by mid 2020.

Projected Sales	\$37,600,000
Project Costs and Cost of Sales	\$33,400,000
Capital Structure	\$5,000,000 Investor Capital \$26,500,000 Debt Financing
Projected Return on PF4 Capital	13+%
Projected Completion	Mid 2020

BLVD SARASOTA, FL

In 2018, we partnered with Sarasota-based developer Core Development for the purpose of constructing BLVD Sarasota; an 18-story high-rise with 49 luxury residences, ideally located on the famed Boulevard of the Arts, in the heart of downtown Sarasota, FL in the culturally rich Rosemary District. Resting at the corner of Boulevard of the Arts and Tamiami Trail, the tower's architectural personality is expressed with floor-to-ceiling glass, sumptuous interior appointments, and advanced coastal construction and design. Units range from 3,550 SF to 5,250 SF and showcase panoramic waterfront and city views from truly



expansive private terraces.



Residents will enjoy unprecedented resort-style amenities, be served and accessed by dedicated lobbies, private elevators, and gated garage parking to ensure privacy and security. Additional information can be found on the project website.

Construction is ongoing. We have sold more than half of the units to new residents and expect to be fully sold by mid 2020.

Projected Sales	\$134,600,000
Project Costs and Cost of Sales	\$116,400,000
Capital Structure	\$20,000,000 Investor Capital \$90,500,000 Debt Financing / Excess Deposits
Projected Return on PF4 Capital	18+%
Projected Completion	Mid 2020

TRIBECA | NOMA WASHINGTON, D.C.

In May 2019, we partnered with experienced developer Urban Investment Partners (UIP) for the purpose of constructing Tribeca Condominiums; a 13-story high-rise with 99 for sale residences, ideally located in the high-growth “NoMa” (North of Massachusetts Avenue) submarket of Washington, D.C.

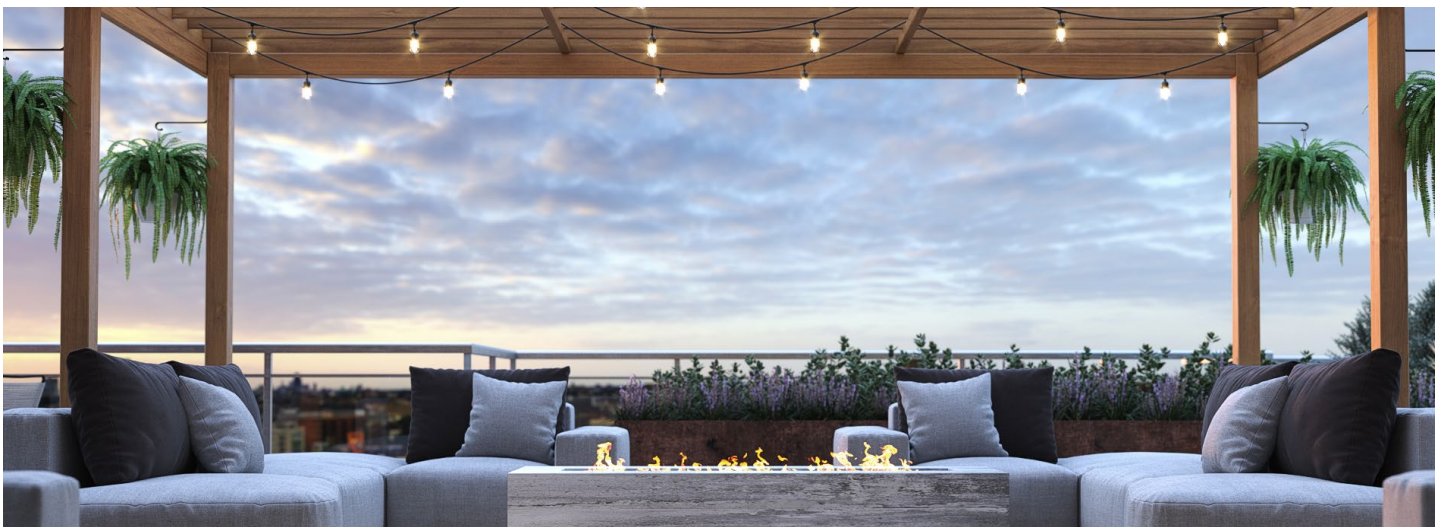
Units will range from 744 SF to 1,202 SF and showcase hardwood floors, quartz countertops, stainless steel appliances, and private balconies. Residents will enjoy sought after amenities such as breathtaking views from a rooftop deck with a grilling area and a fitness center.

This project is currently under construction with a projected completion date of late 2021. A live cam is available to check in on the progress at any time.



Sales (Projected)	\$70,000,000
Project Costs and Costs of Sales	\$54,750,000
Capital Structure	\$19,000,000 Invested Capital \$35,000,000 Debt Financing
Project Completion (Construction and Sales)	December 2021
Projected Returns to Investors	15+% (annualized)

Before the development opportunities detailed above existed, we established our track record with a series of funds (PF1, PF2, PF3) designed to provide consistent cash flow to Investors.



PF3 PROMANAS FUND 3

Promanas Fund 3 (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 more than 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. In 2019, we liquidated a significant portion of the portfolio and distributed profits to Investors.

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.

Inception	2009
Number of Investors	250+
Total Equity	\$34,000,000*
Asset Value	\$100,000,000
Total Square Feet	1,200,000
Number of Properties	13
Asset Types	Industrial, Office, Flex, Retail
Status	Closed to New Investment Dollars

*Total Equity peaked at approximately \$68,000,000, prior to returning half of Investor capital following the sale of a significant portion of the portfolio.

Not all deals we come across fit the in-place, consistent cash flow model of Promanas Fund 3 (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 TAYLOR, MI

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 \$1,350,000 (previous ownership defaulted on the mortgage and the property was under-managed and in disrepair). At the time of 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 \$2,400,000 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 \$9,000,000 and were able to return 100% of Investor capital, plus \$1,800,000 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 \$1,980,000 over 26 months. Investors continue to own their pro rata share of the entity and receive quarterly distributions.

CROWN POINTE OFFICE CENTER OAK PARK, MI

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 \$3,150,000. At that time, the property was 60% occupied and generated a net operating income of approximately \$300,000. The property was severely under-managed, and ownership was unwilling to invest in capital expenditures, tenant improvements, and leasing commissions necessary to



attract and retain tenants. The deal was presented to us under a strict time frame: 7 days to raise \$3,600,000 and close on the purchase (\$3,600,000 represents acquisition cost, plus prefunding of a reserve account to fund capital expenditures, leasing commissions, and tenant improvements). As part of the deal, we also 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, Promanas obtained financing of \$4,250,000. 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 \$11,300,000.

Acquisition Cost	\$3,150,000
Original Investor Capital	\$3,600,000
Net Operating Income (Acquisition)	\$300,000
Net Operating Income (Stabilized)	\$1,200,000
Sales Price	\$11,300,000
Debt Balance (at Sale)	\$4,000,000



Get in Touch



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