



promanas

COMPANY OVERVIEW JANUARY 2020

PROMANAS
REAL ESTATE INVESTMENT

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February 2020

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 nearly 400 accredited investors. Our portfolio includes >3M square feet of property and we have acquired and/or developed more than \$1½ 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: 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 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.

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



John Bogdasarian, CCIM
Founder | President & CEO
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DEVELOPMENT INVESTMENTS

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.



ELEMENT HOTEL DOWNTOWN DENVER – OPENED AUGUST 2019

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 and sales. 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 remains 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 Buffett saying “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.

DEVELOPMENT INVESTMENTS

ELIOT HILL TOWNHOMES DENVER, CO



Eliot Hill was one of our first development projects – an 18-unit townhome development project located in the Jefferson Park area of Denver (blocks away from Mile High Stadium).

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 then 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)

DEVELOPMENT INVESTMENTS

PF4

PROMANAS FUND 4

After the success of Eliot Hill (previous page), we created a fund to pursue the various development projects in our pipeline at the time – two additional condominium projects with our partner on Eliot Hill (Dublin Development), two condominium projects with a new partner in Nashville, and a hotel development in Denver with yet another partner in the area.

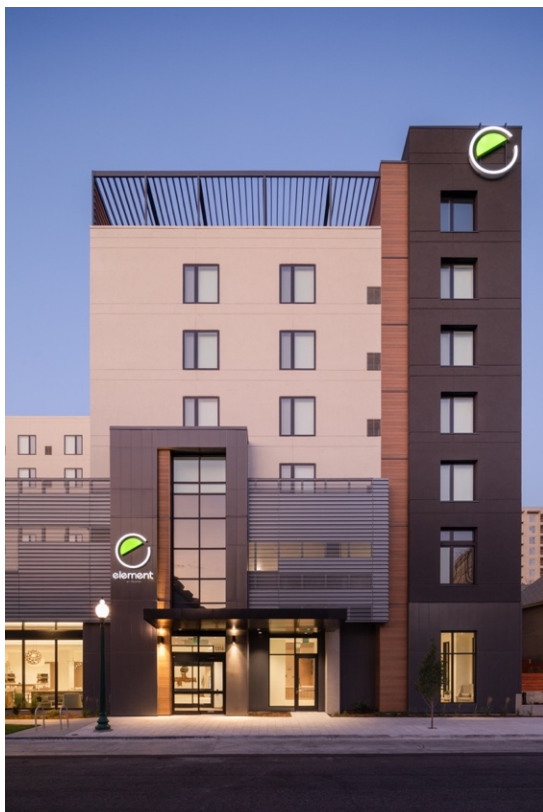
The fund, PF4, is a blended entity, meaning investment dollars are diversified across all projects in the fund. There are five development projects in PF4. The first project is a 157-room Element Hotel by Westin in downtown Denver, CO. The second project is a 52-unit condominium development project located near the campus of Denver University. The third project is a 57-unit condominium development project located in the Jefferson Park area of Denver, CO (very close to Mile High Stadium – home of the Denver Broncos). The fourth project in PF4 is Illume, a 75-unit condominium development project located in Nashville, TN - just steps from The Gulch, Nashville's premier urban neighborhood. The fifth and final project in PF4 is Olympic 1, 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 hotel). 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

DEVELOPMENT INVESTMENTS

ELEMENT HOTEL – DENVER, CO PF4



In 2017, we partnered with experienced hospitality developers, [Alliance Investments](#), for the purpose of developing an extended stay hotel in the historic Golden Triangle Art District of Denver. The hotel is right 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 5 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

DEVELOPMENT INVESTMENTS

OBSERVATORY FLATS – DENVER, CO PF4

In 2017, we partnered with [Dublin Development](#) for our second residential development project in Denver (the first, Eliot Hill, is detailed above).

Observatory Flats is a 52-unit condominium development in the heart of Observatory Park, and steps away from the University of Denver campus.



This condo 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 to new residents. Sales are ongoing and we expect to be fully sold by Spring 2020.

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 2020

DEVELOPMENT INVESTMENTS

JEFF PARK FLATS – DENVER, CO PF4

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 Sports Authority 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 completed.

Our partner on this project is [Dublin Development](#). This is our third project with Dublin. They were also our partner on the Eliot Hill and Observatory Flats projects mentioned above. Dublin has been great to work with and is 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 nearly complete and we have sold a few units prior to completion. Sales are ongoing and we expect to be fully sold by Summer 2020.

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 2020

DEVELOPMENT INVESTMENTS

ILLUME CONDOMINIUMS – NASHVILLE, TN PF4

In 2018 we partnered with [CA South](#), a Nashville-based real estate developer to pursue our first of many development projects in Nashville. CA South are also our partner on the Olympic 1 project in Nashville (part of PF4, detailed on the next page). 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 nearly complete. We have more than two thirds of the units under-contract for sale to new residents. Sales are ongoing we expect to be fully sold by early 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	Early 2020

DEVELOPMENT INVESTMENTS

OLYMPIC CONDOMINIUMS – NASHVILLE, TN PF4

In 2018 we partnered with [CA South](#) for our second project together in Nashville – a 5-story, 51-unit residential condominium development project. The project is located just south of our PF4 project, Illume (detailed on the previous page).

Construction is ongoing and we expect to be fully complete and have all units sold by the end of 2020.



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	Late 2020

DEVELOPMENT INVESTMENTS

KINGSLEY CONDOMINIUMS ANN ARBOR, MI

Kingsley Condominiums is a 51-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 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.



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 nearly complete and we have sold more than half of the units to new residents. 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 to Investors	13+%
Projected Completion	Mid 2020

DEVELOPMENT INVESTMENTS

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, 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 and we have sold more than half of the units to new residents. We 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 to Investors	18+%
Projected Completion	Mid 2020

DEVELOPMENT INVESTMENTS

THE TRIBECA CONDOMINIUMS WASHINGTON, D.C.

In May 2019, we partnered with experienced developer [Urban Investment Partners](#) (“UIP”) for the purpose of constructing The 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 camera](#) 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)

CASH FLOW INVESTMENTS

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

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 a sale of a significant portion of the portfolio (detailed on the next page)

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 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 undermanaged 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 continues 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.

VALUE ADD INVESTMENTS

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 undermanaged, 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



JOHN BOGDASARIAN

FOUNDER

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, 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](#) is available now.

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

Learn more about our offerings, visit promanas.com



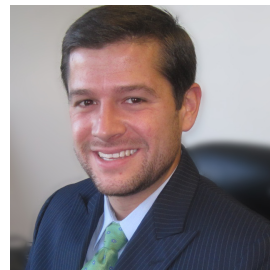
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