



promanas

COMPANY OVERVIEW 2021

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 over 500 accredited investors. We have acquired or developed over 4 million square feet of real estate across many asset classes totaling more than \$1 billion in value.

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 at 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



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.

Since then, we have partnered with many developer groups throughout the country. Many of the projects are now complete, with others in various stages of development and sales. The following pages provide examples of such projects.

With each project, we first perform thorough due diligence to quantify risk and potential upside. Once a potential project makes it through our due diligence process, we create a structure that protects our investors' interests. Except for 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 the creation of entity documents, private placement memorandums, operating agreements, and debt financing. Once investor capital is raised and the development project has begun, the real estate development partner takes the reins on the day-to-day responsibilities except for 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 project's success.

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 is 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 53-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 Alina, a 51-unit residential condominium development project located just south of Illume in Nashville. We believe this diversified fund structure provides excellent upside while greatly protecting the downside.

PF4 is closed to new investment. Three of the four condominium projects are complete and fully sold. Construction is complete at Alina, and sales are ongoing. The hotel opened to guests in August 2019.

Inception	2017
Fund Size	\$117,900,000 (Total Project Costs)
Investor Capital	\$31,200,000
Minimum Investor Commitment	\$100,000
Investor Preferred Return (annualized)	7% (paid before any Promanas return)
Investor Total Return (projected, annualized)	12-14%
Asset Types	Residential & Hospitality
Status	Closed to New Investment

DEVELOPMENT INVESTMENTS

PF4 PROMANAS FUND 4



OBSERVATORY FLATS DENVER, CO

[Project Website](#)

Partner: Dublin Development



JEFF PARK FLATS DENVER, CO

[Project Website](#)

Partner: Dublin Development



ELEMENT HOTEL DOWNTOWN DENVER DENVER, CO

[Project Website](#)

Partner: H&A Investments

DEVELOPMENT INVESTMENTS

PF4 PROMANAS FUND 4



ILLUME NASHVILLE, TN

[Project Website](#)

Partner: CA South



ALINA NASHVILLE, TN

[Project Website](#)

Partner: CA South

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 complete, and all units have been sold or are under contract for sale.

Unit Sales	\$37,600,000
Project Costs and Cost of Sales	\$34,100,000
Capital Structure	\$5,000,000 Investor Capital \$26,500,000 Debt Financing
Return to Investors	12-14% (annualized)
Completion Date (Construction & Sales)	Spring 2021

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, luxurious 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 enjoy unprecedented resort-style amenities, 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 complete, and only a handful of units remain available. We expect to be entirely sold by late 2021.

Projected Sales	\$136,000,000
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+% (annualized)
Completion Date (Construction & Unit Sales)	Late 2021

DEVELOPMENT INVESTMENTS

THE TRIBECA CONDOMINIUMS WASHINGTON, D.C.

In May 2019, we partnered with experienced developer Urban Investment Partners (“UIP”) to construct 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.

Construction is nearing completion. We have presold 14 of the 99 units. We expect the project to be fully complete and sold out by yearend 2021.

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)

DEVELOPMENT INVESTMENTS

RIVER TOWER – “EVE” NASHVILLE, TN

In late 2019, we partnered once again with CA South for our third project together in Nashville – a 28-unit condominium development on the Cumberland River, just a few blocks from lower Broadway in downtown Nashville. The project is eligible for short-term rentals, which was a major driver of the tremendous success of our previous project with CA South in Nashville – Illume (detailed above).



Units will range from 959 to 1,608 square feet. Construction is expected to be completed by fall 2021.

Sales (Projected)	\$21,100,000
Project Costs and Costs of Sales	\$17,700,000
Capital Structure	\$5,900,000 Invested Capital \$10,500,000 Debt Financing
Project Completion (Construction and Sales)	Early 2022
Projected Returns to Investors	18+% (annualized)

DEVELOPMENT INVESTMENTS

PIE TOWN NASHVILLE, TN

In 2020, we partnered once again with CA South for our fourth project together in Nashville – a 78-unit condominium and mixed-use development in the Pie Town neighborhood of downtown Nashville. This incredible location is less than a mile from the Korean Veterans Boulevard roundabout and the



Nashville Convention Center. Our site's next-door neighbor is Third Man Records, Jack White's independent record label, and just down the street is City Winery, the destination event center for concerts, dining, and wine tasting. With a design aesthetic modeled after the Edition in Los Angeles, we plan to build 78 units of residential condominiums along with active street-level retail or office space.

Construction is ongoing and is expected to be complete by late 2022.

Sales (Projected)	\$63,000,000
Project Costs and Costs of Sales	\$55,000,000
Capital Structure	\$17,700,000 Invested Capital \$33,000,000 Debt Financing
Project Completion (Construction and Sales)	Spring 2023
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 began liquidated the portfolio and distributing profits to investors. We expect the entire portfolio to be liquidated by the end of 2021.

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	\$68,000,000
Investor Total Return	12-15% (annualized over 11 years)
Total Square Feet	3,000,000+
Number of Properties	48
Asset Types	Industrial, Office, Flex, Retail, Medical
Status	Closed to New Investment Dollars

VALUE ADD INVESTMENTS

Not all deals Promanas comes 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 continued to own and operate the property until April 2021, when the property was sold for a substantial gain.

Acquisition Cost	\$1,350,000
Original Investor Capital	\$2,400,000
Net Operating Income (Acquisition)	\$300,000
Net Operating Income (Stabilized)	\$1,100,000
Sold Price (April 2021)	\$12,600,000

VALUE ADD INVESTMENTS

CROWN POINTE OFFICE CENTER OAK PARK, MI

Crown Pointe Office Center is a 266,000 square foot multi-tenant office building located in Oak Park, Michigan. Promanas 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 Promanas 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, Promanas 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. Promanas settled on a price of \$800,000 for the outlot and completed the parcel split and sale in short order. By this time, Promanas had increased occupancy to over 70%.

Within 6 months of the 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 | PRESIDENT & CEO

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 500 investors and whose portfolio includes >4M square feet of property. John has acquired and/or developed more than \$1 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 Amazon #1 selling book, [Do the Work Once, Get Paid Forever](#) was released in 2019.

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.

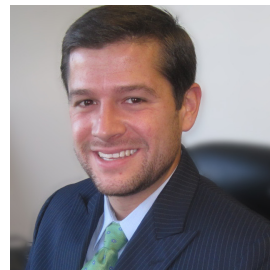
Learn more about our offerings, visit promanas.com



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