



INVESTMENT OPPORTUNITY

PF4, LLC

Diversified Real Estate Development Fund

CONFIDENTIAL INVESTOR PACKET



October 4, 2017

Dear Accredited Investor,

Thank you for your interest in the Promanas Group's newest commercial real estate investment fund, PF4, LLC ("PF4"). After reading this brochure, please feel free to call or email me directly. We operate with 100% transparency and will take the necessary time to answer any questions you may have.

Since the start of the recent Great Recession in 2007, there has been little to no real estate development (new construction) in most markets – instead, acquisition of existing Real Estate, if done properly, has been the name of the game. Today, with the economy back on solid ground, we are beginning to see a pipeline of viable development projects in select markets with pent-up demand. Asset types include hospitality, residential, office and industrial. We believe this development trend will continue with demand increasing significantly over the next five years. We have created PF4 to capitalize on this development trend.

PF4 is a blended entity, meaning investment dollars are diversified across all current PF4 development projects, as well as those that we add or commit to (with a majority vote from members) by June 30th, 2018. We believe this diversified fund structure provides excellent upside while greatly protecting the downside. There are currently three development projects in PF4:

- 1) A 157 room Element Hotel by Westin in the Golden Triangle area of downtown Denver, Colorado (see attached for details on this project)
- 2) A 52 Unit condominium project in the heart of the Denver University Campus (see attached for details on this project)
- 3) A 56 Unit condominium project in the amenity rich area of Jefferson Park in Denver, Colorado (see attached for details on this project)

In addition, we are in the process of vetting other potential projects to add to the PF4 fund. We are focused on finding the very best locations and the very best macro market conditions. We anticipate that PF4 will end up with 4-6 total projects by the time the fund closes to new investment dollars on June 30th, 2018.



Shares in PF4 are currently available at \$100,000/unit. We conservatively project PF4 to yield returns in the 15%+ per annum range, which includes a 7% “preferred” return to investors. A “preferred” return means all investor capital PLUS a 7% per annum return will be paid to investors BEFORE Promanas sees any return. We project having all PF4 development projects sold off within 5 years, although we anticipate that most will be wrapped up sooner.

Please contact my office directly to be placed on the commitment list. As always, I greatly appreciate your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Bogdasarian".

John Bogdasarian, CCIM
President & CEO, Promanas
john@promanas.com

PF4 OVERVIEW

Inception	2017
Investment Period	Fund closes to new investors no later than 6/30/2018
Target Fund Size	\$100 – \$150 million (gross asset value)
Target Investor Capital	\$30 – \$50 million
Minimum Investor Commitment	\$100,000
Projected Overall Return to Investors	15%+
Preferred Return to Investors	7% (paid before any Promanas return is paid)
Projected Term	5 years
Asset Types	Hospitality, residential, office and industrial

DISCLAIMER – Past performance is no guarantee of future success. There is a substantial degree of risk when walking out the front door in the morning, this holds true for investing as well.

INVESTMENT PHILOSOPHY

One of the most widely quoted pearls of wisdom of legendary investor Warren Buffett is: “Rule No. 1: Never lose money. Rule No. 2: Don’t forget rule No. 1”. We couldn’t agree more. PF4 investors get paid back their original investment plus a preferred return before Promanas sees any return.

RISK MANAGEMENT

- Diversifying investment dollars across multiple projects and asset classes mitigates risk.
- Investor preferred return structure forces Promanas to set realistic expectations and work hard to maximize returns.
- In house accounting as well as in house asset and project management results in superior performance of projects due to tight controls.
- Entire Promanas team focused on maximizing the internal rate of return (IRR) for each project and keeping tabs on economic market conditions.

LIFE SPAN OF PF4

The overall time table for the fund is not set in stone, and setting an exact life span can create issues such as having to sell properties in a down market. That said, the projected timeline is 5 years. However, it is likely that your money comes back sooner (3-4 years) as we will be liquidating projects as soon as possible.

PROMANAS COMPENSATION

In addition to a modest 1.2% annual management fee that is taken to help cover office overhead associated with managing PF4, Promanas earns a 10% “carried interest” in the fund which is subordinate to the 100% return of ALL investor capital PLUS a 7% accrued return to the investors (see “Allocation of Proceeds From Sale of Projects” below for more detail). There are ZERO Broker fees, financing fees, travel fees, or any other fees to Promanas. Any and all other fees paid to any third parties are fully disclosed in the Private Placement Memorandum.

ALLOCATION OF PROCEEDS FROM SALE OF PROJECTS

Once a project is sold, the payback of profits is returned in the following order:

1. Payoff Bank Debt and/or Company Obligations
2. Return 100% of Investor Capital
3. 7% Preferred Annual Return on Investor Capital
4. Promanas Carried Interest (10% of total capital raised)
5. Excess is split 90% to Investors, 10% to Promanas

This investor friendly allocation of proceeds heavily incentivizes Promanas to maximize returns and set realistic return projections.

DEBT COMPONENT

The debt component for current and future PF4 projects is in the 60-75% loan to cost range. Any personal guarantees required by lenders associated with PF4 bank loans are personally guaranteed by Promanas. Investors are NOT responsible for signing any personal guarantees.

PF4 PROJECT #1

ELEMENT HOTEL BY WESTIN DEVELOPMENT

Promanas has partnered with experienced hospitality developers for the purpose of developing an extended stay lodging hotel located on a piece of land located at 1350 Elati Street in the historic Golden Triangle neighborhood of Denver, Colorado. The Hotel is expected to open by the end of 2018 and will feature 157 rooms, three levels of parking, a breakfast dining area, a bar and lounge, a fitness room, a lobby workstation, a market pantry, and a guest laundry area. The brand of the Hotel will be an Element hotel by Westin Hotel Management L.P.



The Golden Triangle neighborhood is one of most sought after redevelopment districts in Denver and is currently underserved by the hotel and lodging industry. The site selected is in close proximity to downtown and other attractions that include the convention center, art museum, history museum, US Mint, and performing arts center. Area occupancy rates are extremely high and the outlook is very bullish.

We hired HVS Consulting and Valuation, the worlds premier hotel consulting and valuation firm, to perform a feasibility study for this project. The results of their study are very favorable and can be viewed upon request.

Our goal is to build the hotel, establish a 2-3 year operating track record, and then sell and distribute profits. It is possible that this time line gets shortened due to market demand, however, to stay conservative, we have set the outside time-line for return of investor capital through a sale at 5 years from May 1, 2017.

Hotel Brand	Element Hotel by Westin
Hotel Location	1350 Elati Street, Denver, CO
Total Estimated Project Cost	\$40,000,000
Capital Structure	\$10,000,000 PF4 Invested Capital \$30,000,000 Debt Financing
Projected Return on PF4 Capital	15%+ (annually)
Projected Timeline	Three to Five Years

OBSERVATORY FLATS – DENVER, CO

PF4 PROJECT #2

OBSERVATORY FLATS

Observatory Flats is a 52 unit condo development project located in the heart of the Denver University Campus, steps from local restaurants, bars, parks and other hot spots. The five floor project will be built on land located at 2360 & 2374 South University Blvd. The units, which will be priced in the \$500 per square foot range, will be sold off to interested parties and we anticipate the project will take 18 months to complete. All entitlements are in place for this project and construction began in September of 2017.

Our development partner on this project is Dublin Development (dublindevelopment.com) and this is the second project we will be doing with them.



The first project we partnered with them on, Eliot Hill (eliothillhomes.com), was highly successful with all units getting sold out before construction was complete. 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.

With gross sales from the project in the \$20.8 million range, the projected annual return is in the 15%+ range. This type of return is in line with the Element Hotel by Westin project that is already part of PF4. We continue to be very bullish on the Denver market as the annual population growth continues to hit unprecedented levels. This influx of new residents is expected to have housing demand greatly outweighing supply for the foreseeable future.

Sales (projected)	\$20,770,000
Project Costs (Construction, Land, etc.)	\$15,310,000
Capital Structure	\$4,700,000 PF4 Invested Capital \$10,610,000 Debt Financing
Project Timeline	24 months
Projected Return on PF4 Capital	15%+ (annually)

JEFF PARK FLATS – DENVER, CO

PF4 PROJECT #3 **JEFF PARK FLATS**

Jeff Park Flats is a 56 unit condo development project located at 2719 West 28th Street 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.



is Dublin Development (dublindevelopment.com) and this is the third project we will be doing with them. Dublin was also our partner on the Eliot Hill project mentioned above (eliothillhomes.com) and Observatory Flats (www.observatoryflats.com). 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.

With gross sales from the project in the \$22 million range, the projected return is in the 15%+ range. This type of return is in line with the Element Hotel by Westin project and the Observatory Flats condo project that are already part of PF4. We continue to be very bullish on the Denver market as the annual population growth continues to hit unprecedented levels. This influx of new residents is expected to have housing demand greatly outweighing supply for the foreseeable future.

Sales (projected)	\$22,207,026
Project Costs (Construction, Land, etc.)	\$17,659,588
Capital Structure	\$5,300,000 PF4 Invested Capital \$12,359,588 Debt Financing
Project Timeline	24 months
Projected Return on PF4 Capital	15%+ (annually)

TEAM & DISCLAIMER

PROMANAS

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 members has grown to over 300 investors with more than \$200 million in real estate assets under ownership/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.

To learn more, visit promanas.com

DISCLAIMER

This document does not constitute an offer to sell units of PF4 LLC (“PF4”). Units will be offered and sold only pursuant to Private Placement Memorandum and only to accredited investors, as that term is defined in Regulation D promulgated under the Securities Act of 1933.

An investment in PF4 units carries a high degree of risk. There can be no assurance that the stated investment objectives will be achieved. Investment losses may occur, and investors could lose some or all of their investment.

This document contains “forward-looking statements” which include all projections and all statements other than historical fact. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of PF4 which could cause actual financial results of PF4 to be materially different from financial results expressed or implied by the forward-looking statements.

Promanas 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 **www.promanas.com**



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A handwritten signature in black ink, appearing to read "JB".



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