

Prospectus for CoShock family of companies

10.01.2020

TLSquared Real Estate Services (CA)

Prima Management, LLC, Aim High Construction, LLC, PaxAnimi, LLC (OH)

High Country Property Management, LLC (CO)

Arlington Management Partners, LLC (VA)

Overview

Our family of companies delivers real estate investment opportunities for a wide range of partners. We specifically use the term partner since we believe the relationship is a partnership with mutual benefit for all parties and that we really are “in this together”. Integrity, communication and transparency are foundational to all partnerships, big or small. Experienced investors will capitalize on the consistently high return on investments while first time investors experience a low threshold and a partner alongside to build trust.

Vision - Best Value to Investors

We firmly believe that our vision of providing simple, straightforward real estate investment strategies provides the best overall value to investors through complementary companies which focus on the vision, rather than maximizing the individual profit of each company. This vision is important because if a partner can acquire 10 properties that rent out for \$600 per month, they now have a gross passive income of \$6000 per month. What would you do if the income you currently spend 40 hours per week obtaining was available without you stepping outside your home? This vision can become a realization easier than you think and we can help you.

Mission - Financial Independence Retire Early (FIRE)

Our mission is simple - provide investment opportunities to create additional sources of income. With your patience and discipline and our know-how and experience, your probability of success increases drastically. The average millionaire in the United States has a least six streams of income. The essence of our mission is to create those streams for you.

Strategy

We offer a wide range of investments tailored to the partner, based on needs, available capital, real estate investment experience, and individual partner goals. More importantly, we partner alongside you to take the mystery, stress, anxiousness, and worry out of the equation to make real estate investment a calculated risk with substantial returns in the long run.

Flexibility

While we have a preferred process on partnering, we are extremely flexible with partners to help maximize their goals. The typical process involves determining an investment amount and actual property a partner is comfortable with, acquiring the property, performing any repairs required, and then placing the property in service with a qualified tenant. However a partner may take advantage of realtor services, general contractor experience to help evaluate properties before or after purchase, estimates for repair, and setting up the property as an individual entity. We simply need to understand your goals as a partner in order to provide the best assistance. Partners can be highly engaged or not at all based on their preference.

Investment Amounts

Investments start at \$10k and go up depending on the commitment you feel comfortable with investing. Investment properties typically range in cost from \$50k to \$500k. That \$50k number is accurate, you really can own a profitable rental property for a total investment of about \$50k (or 20% of one for about \$10k). Your ownership percentage in a particular property depends on the overall cost to place the property into service and your level of investment. We often find partners to collaborate and may have one or several partners in a single real estate property in order to actualize the investment.

We also work with experienced partners to capitalize on their “sweat equity” as investment. For example, if we find a property for \$20k that is in need of significant repair, an experienced partner may be a general contractor, plumber, electrician, etc. who can perform a significant amount of work on the property to make the property ready for tenants. Thus their sweat equity becomes their portion of ownership in the property. It is critically important to determine the acquisition cost, materials estimate, and labor estimate so that all partners are clear on what the established percentages of ownership will be at project completion.

Tradeoffs: Return on Investment, Risk, Stability

It is important to understand the tradeoffs between return on investment (ROI), risk, and stability. We have extensive experience in the property locations and tenant base to ensure each partner has a good understanding of these tradeoffs.

ROI

Typically range from 5-30% (gross). Net ROI can be estimated by taking into account property taxes, association dues, estimated fees and maintenance.

Risk

Risk is extremely important to understand and there are many types of risk associated with real estate. Property risk includes all factors of the property (age, condition, mechanicals, etc.) that may reduce ROI due to expensive repairs. Tenant risk depends on the livelihood and living habits of the tenants themselves. Background investigations are performed for each applicant to mitigate this risk area. However, life events such as job loss, divorce/separation, etc. may have a large impact such that a good, paying tenant may not be able to recover.

Stability

Stability should be a consideration when investing especially if leveraging other financing (bank, personal, etc.) to invest. As a general guide, higher priced properties will offer lower ROI and risk, but higher stability; the converse is that higher ROI properties often bear more property and stability risk.

Acquisition Process

We routinely send out investment opportunities via email for investor consideration. The acquisition cost is generally what is needed to acquire the property, set it up as a standalone business entity, and place it in service. If repairs are needed, we associate the rehab cost and when added together represent the total investment required. We typically target properties that are cash acquisitions within your tailored budget in order to get the best value and cost savings. We can also work with financing options based on your situation and goals. Targeted properties typically have a recapitalization (recap) period of four to five years. In short, after about five years the property has paid for itself and all monies moving forward are pure profit. As a practical example, if a partner purchased two \$50k properties per year for 5 years and each rented for \$600, after 10 years they would fully own 10 properties at a total cost of \$500k but generating a passive income of \$6k per month.

Goals

1. Continue steady, sustainable growth of 30% per annum in real estate investments
2. Increase investor partnerships by 20% per annum to capitalize on great opportunities

3. Provide reliable, affordable housing near market rates to increase the quality of the tenant base
4. Raise the quality of our properties to maximize management efficiency and keep costs below 20% of rents

Company Overviews

TLSquared Real Estate Services - www.tlsquared.net

Serves as the overall entity to work with partners to align opportunities. The primary sponsor of the [AppFolio](#) platform which provides the capability to manage communications, maintenance, records and accounting across all properties and locations. Provides tools such as online advertising of properties, online applications, tenant screening, tenant statements, owner statements, maintenance requests and much more. It is the state of the art in web-based property management.

We recommend establishing each property as an LLC entity completing and filing all paperwork as well as ensuring tax paperwork is ready each year. Another important duty is to seek property advantages by filing tax valuation challenges to reduce the property tax burden when merited.



Prima Management, LLC - www.PrimaDayton.com

Focused on properties in the greater Dayton Ohio area. Provides best value to owners through reduced monthly fee of 8% for partners as well as lease fees (\$400 for initial tenant placement covers advertising, showings, move in, etc.). Lease renewal fees are \$150 when the same tenant stays and longer lease terms are offered to reduce fees as much as possible based on partner preferences. Typically each property has a \$200 maintenance limit so that we can address minor issues quickly and communicate as needed. If the issue is over \$200 the partners will be consulted as time permits. Urgent issues that involve the safety/security of tenants or property require immediate action to mitigate the concern and we consult partners at the earliest opportunity. For example, a non-working furnace in winter with temperatures below freezing presents an urgent concern for both tenants and property, thus immediate action is necessary to avoid undue liability to investors. Each month we collect rents, pay any bills for the property, and disperse funds to owners on the 10th of each month. Owner statements are sent about the 20th of

each month. We inspect properties at move in, move out, during maintenance events, and as needed.

Tenants are required to submit an application, show income at least three times the rent amount (e.g. if rent is \$500, tenant must provide income proof of \$1500 or more) and pass background screening for approval. Prior to move in, tenant must submit first month rent, refundable security deposit equal to one month rent, and pet deposit of \$400 (if applicable). All deposits are held in a non-interest bearing trust account ready to disperse when tenant moves out. Tenants can use their tenant portal in AppFolio to pay the rent, check their balance, and submit any maintenance requests. Owners can likewise access AppFolio to retrieve owner statements and pay any bills to the property.

If necessary, the eviction process starts when rent is 31 days late. The cost is \$450 which includes all filings and court appearances as well as meeting the bailiff. We do everything possible to help the tenant realize that vacating on good terms is in their best interest. We submit all balances tenants owe for rent or repair to collections if not paid.



Aim High Construction, LLC - www.AimHighConstruction.com

As a complementary company to Prima Management, Aim High Construction (AHC) serves as the primary entity for maintenance requests, property refurbishments, etc. The mission of AHC is to provide significant cost savings to investors within the network and not to maximize profits. While partners are always able and encouraged to use another contractor of their choosing or get estimates to compare, typically AHC is about 20% less expensive than non-partner contractors across the board which supports the best value to owners. The company is structured to be lean and leverage a network of skilled technicians rather than maintaining a fleet of trucks, offices, or a large staff. Our streamlined business model results in cost savings that we pass on directly to investors.

PaxAnimi, LLC

Securing affordable yet responsive property insurance for rental properties can be challenging. Insurance rates are usually 40-50% higher than regular homeowner's policies as rentals are considered higher risk by most insurers. We formed PaxAnimi to provide a reasonable, timely and reliable source for rental property insurance for our partners. To limit risk exposure and keep insurance rates as low

as possible, PaxAnimi only insures properties with our partners. Our knowledge of the property and its management offers risk reduction over a typical insurance company. It is policy and by default that we evaluate the property prior to or just after purchase and before entering the inventory of our management companies. We routinely have “eyes on” the property throughout the year via move ins/outs, maintenance visits, etc. which is another tremendous benefit over other insurance providers. As a result insurance rates are typically 20% less than competitors, offering another complementary business that supports best value to owners.

Filing claims is very easy. If a partnered investor chooses to insure a property with PaxAnimi, we automatically assume that any repair or maintenance that is covered under the policy shall not incur cost to the property owner over the established deductible. The system we have in place allows our management companies to alert PaxAnimi when someone submits a work order, which prompts an assessment of coverage under the policy. If it is covered, a claim is automatically filed to reduce the processing time and allow timely response.



HIGH COUNTRY PM

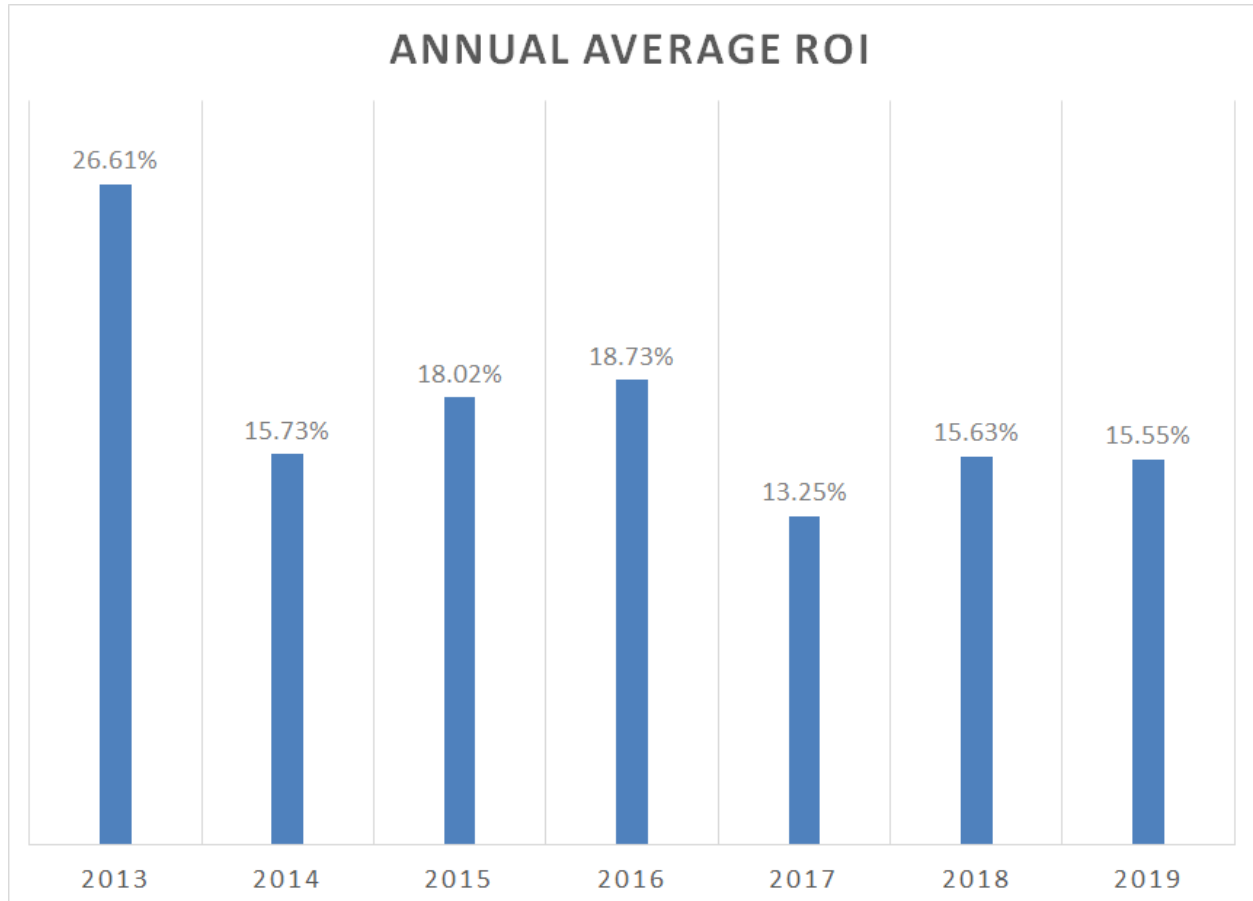
High Country Property Management, LLC

Focused on properties in the Colorado Springs Colorado area, High Country Property Management, LLC (HPCM) operates in a similar fashion to Prima Management with a slightly different fee structure. Provides best value to owners through reduced monthly fee of 10% for partners as well as lease fees of \$400 for initial tenant placement covers advertising, showings, move in, etc. Lease renewal fees are \$150 when the same tenant stays and as cost savings longer lease terms are offered to reduce fees as much as possible (based on partner preferences). All other operations are structured the same way as Prima Management.

Arlington Management Partners, LLC

Focused on properties located in the Washington DC area, Arlington Management Partners, LLC (AMP) operates in a similar fashion to Prima Management with a slightly different fee structure. Provides best value to owners through reduced monthly fee of 6% for partners as well as lease fees of \$400 for initial tenant placement covers advertising, showings, move in, etc. Lease renewal fees are \$150 when the same tenant stays and as cost savings longer lease terms are offered to reduce fees as much as possible (based on partner preferences). All other operations are structured the same way as Prima Management.

Returns



The graph above shows the Annual Average ROI for all properties by year. For this update we focused on performance once the property is placed in service after any initial repairs have been completed. Overall performance has been consistent with an exceptional year in 2013 which included acquisition of many properties well below value. The introduction of more investors in the Dayton area increasing the acquisition costs for properties has impacted returns, but still well within target goals. While good deals are still available, the reaction time to capitalize on them is shorter. Thus partners will need to be ready to execute and spend less time negotiating for the lowest price. In 2017 we worked with all partners to improve the overall quality of properties and addressed several areas of deferred maintenance.

We welcome the opportunity to have a targeted conversation on how we could help with your real estate investment needs.

Final Thoughts

Ask yourself, "What other way can I invest \$500k and receive \$6k each month passive income?" After reviewing this prospectus we feel that partnering with the CoShock family of companies yields both tangible and intangible benefits for real estate investment. Our foundations of integrity, communication and transparency are evident in all business practices and support our vision of best value to owners. We encourage you to schedule a time with **Thomas or Jeremiah** to find out how you could be a part of our vision.

About Us

Thomas Co - TLSquared@hotmail.com

Founded all companies and actively engages in each company to look for growth opportunities as well as a wealth of experience in the operations of each. He is a licensed real estate broker in Virginia with experience as a general contractor and engineer.

Jeremiah Shockley - PrimaDayton@gmail.com

Longtime partner and investment advisor who oversees Ohio operations of Aim High Construction, Prima Management, and PaxAnimi. He is a licensed realtor in Ohio with experience as a general contractor, electrician, and engineer.

Leanne Shockley - PrimaDayton@gmail.com

Manages daily operations of Prima Management and staff and consistently maintains over 90% occupancy for over 150 properties.

Mai Robinson

Began partnering with Thomas in 2007 and oversees the operations of High Country Property Management in Colorado. She is a licensed real estate broker in Colorado.