

BUSINESS PLAN

Bornemann Realty LLC

926 Sterling Court, Norton Shores, MI 49441

April 21, 2026

Executive Summary

The Company

Bornemann Realty LLC is a for profit business that has been in the Grand Rapids, MI real estate market since 2020. We have four occupied residential units in three physical properties which we have upgraded over the past several, with the goal of equity building. Our assets under management are valued between 500K and 750K. Recently, we have decided to become involved in local commercial real estate.

The Ownership

The Company is structured as a limited liability company (L.L.C.).

The Management

The Company will be managed by Paul Eben Bornemann, M.D..

The Goals and Objectives

The project will occur in five basic phases:1). Finding investors after having a real estate team draft a syndicate legal framework. 2). Land purchase3). Construction.4). Commercial leasing.5). Dividend distribution (if applicable).6). Property sale at a profit, or long-term hold. As stated earlier, our general plan is to purchase and develop a 2.3 acre tract of land in close proximity to many light industrial commercial spaces and condominiums. The land is zoned for commercial activity according to a meeting with the local government. The plan is to construct a three-tenant commercial retail for businesses such as Mini-marts or convenience stores. Service providers like dry cleaners, nail salons, and barber shops. Small eateries like coffee shops, bakeries, or sandwich delicatessens. Rather than a simple shopping center, the ideal layout prioritizes flexibility, sustainable infrastructure, and defensive integration to serve a local population. Core Design Principles and Adaptive Structural Flexibility: Use modular floor plans and expandable units that allow spaces to be quickly repurposed from storefronts to community clinics, workshops, or emergency housing. Decentralized Power & Resources: Integrate solar panels, rainwater collection systems, and green roofs to provide independent utilities. Human-Centric Security: Prioritize pedestrian-friendly design within the mall's inner perimeter while maintaining clear, defensible sightlines and controlled entry points. Visual & Atmospheric Elements and Aesthetic of Utility: Use reclaimed building materials (steel, muscular brick, and timber) that suggest permanence over disposability. Nature Integration: Strategically allow for controlled overgrowth to provide natural camouflage and psychological comfort, using trees and greenery to break up harsh concrete lines. Authentic Signage: Replace plastic corporate signs with handcrafted, permanent typography or murals that reflect the local community's culture and current needs. The building will be located at 950 East Pontaluna road. Modern technological features plan to include solar panels, smart thermostats, a gas-powered furnace, fiberoptics, and as much LED lighting as possible for daily operation. The goal is for a highly energy efficiently structure without an overly large carbon footprint.

The Products and Services

The plan is to construct a three-tenant commercial facility for local businesses, banks, fitness centers, and/or restaurants to inhabit, and enrich the already vibrant local economy. A retail center with less than 30,000 square feet of gross leasable area (GLA) is typically classified as a Strip Center or a Convenience Center. According to the International Council of Shopping Centers (ICSC), these small-scale centers are defined by several key characteristics: **Size:** They are generally under 30,000 square feet, though some definitions place them between 10,000 and 30,000 square feet. **Tenant Mix:** They focus on quick-service retail and essential "necessity" services, such as: Mini-marts or convenience stores. Service providers like dry cleaners, nail salons, and barber shops. Small eateries like coffee shops, bakeries, or sandwich delis. **Anchor Tenants:** Unlike larger Neighborhood Shopping Centers (which are typically 30,000–125,000 sq. ft. and anchored by a supermarket), centers under 30,000 sq. ft. usually do not have a major anchor tenant. If an anchor exists, it is often a small specialty food market or a pharmacy. **Physical Layout:** They typically consist of an attached row of connected storefronts (a "strip") with a common parking area directly in front of the stores. **Trade Area:** They serve a very limited radius, usually less than 1 mile, drawing customers from the immediate neighborhood for daily-use needs.

The Target Market

The Company's target market has the following characteristics:

- Marital status: married with children;
- Income: \$50,000.00 to \$200,000.00; and
- Occupation: manufacturing, retail, and healthcare.

Pricing Strategy

The Company will use an economy pricing strategy.

The Competitors

The Hinman Company, Great Lakes Development Group, Parkland Properties of Michigan.

Capital Requirements

The Members' initial investment is valued at \$225,000.00.

In addition, the Company will need to obtain a loan in the amount of \$1,750,000.00.

Business Plan - Bornemann Realty LLC

The Company

Business Sector

The Company currently operates in the following industry: Real Estate.

Company Background

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Company Goals and Objectives

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Company Ownership Structure

The Company is structured as a limited liability company (L.L.C.).

Ownership Background

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Member: Melanee Dawn Bornemann

Experience and training: Ms. Bornemann is from an important Portage family with vast experience in agriculture and insurance sales. She holds a bachelor's degree from the University of Michigan, and two graduate degrees, one an associate in nursing.

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Member: Paul Eben Bornemann, M.D.

Experience and training: Dr. Bornemann has been a physician for 25 years and holds a license for both medicine and as a Michigan real estate agent. Before becoming a physician Dr. Bornemann worked as a landscaper and volunteered for Habitat for Humanity. He is preparing to obtain a Series 65 license in securities later this year.

Company Management Structure

The Company will be managed by Paul Eben Bornemann, M.D..

Other management details: The future commercial property aspect of the business will be managed by a commercial property management company. IN addition, Bornemann Realty plans to hand off construction duties to a full service construction company.

Company Assets

The Company has the following assets:

- Real property, with an estimated value of \$565,000.00.
- Shares or stocks, with an estimated value of \$13,000.00.

The Products and Services

The Products and Services

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Future Products and Services

The three-tenant commercial facility would sit upon a 2.3-acre property, and there is presumably space available for a second commercial development if the first is successful.

Marketing Plan

The Target Market

The Company's target market has the following characteristics:

- Marital status: married with children;
- Income: \$50,000.00 to \$200,000.00; and
- Occupation: manufacturing, retail, and healthcare.

Location Analysis

Close to our home and business headquarters is the 2.3 acre tract of land in close proximity to many light industrial commercial spaces and condominiums. The land is zoned for commercial activity and is across the street from a popular ice cream stand, and across the avenue from a Wesco gas station, and a Speedway.

Established Customers and Clients

Our customers are current residential tenants.

Pricing

The Company will use an economy pricing strategy.

Other pricing information: Achieving a proper tenant mix in a commercial strip mall involves a strategic blend of anchor tenants, complementary businesses, and demographic alignment to create a synergistic retail ecosystem. 1. Market Alignment and Demographic Analysis The foundation of a successful mix is understanding the specific needs of the local community. Demographic Study: Analyze income levels, age distribution, and family structures in the trade area. Customer Behavior: Research local shopping habits to select tenants that

match the lifestyle of residents. Competitive Analysis: Identify gaps in the current market and analyze nearby shopping centers to offer unique services they lack. 2. Strategic Category Allocation A balanced mix avoids overconcentration in one sector and ensures diverse offerings. Complementary Specialty Stores: Place smaller businesses that support the anchor, like boutiques, pharmacies, or pet stores. Services and Food: Include "internet-resistant" service providers like salons, medical clinics, and cafes to keep customers on-site longer. Recommended Proportions: While it varies by location, a starting benchmark often includes: Fashion/Accessories: 25–35% Food/Beverage: 20–30% Services/Entertainment: 15–25% Health/Beauty: 10–15% 3. Tenant Clustering and Placement The physical arrangement of tenants impacts cross-shopping and sales. Theme Zones: Cluster related businesses, such as wellness centers near health food stores or casual dining near entertainment venues, to encourage multiple store visits. Traffic Flow: Position anchor stores to draw customers through the property, maximizing exposure for smaller, niche retailers. Impulse Zones: Use high-traffic areas for impulse purchase retailers and quieter zones for service-oriented businesses like mortgage or insurance offices. 4. Ongoing Management and Flexibility Tenant mix is dynamic and requires continuous evaluation to remain relevant. Performance Monitoring: Track sales per square foot and foot traffic patterns to identify top and underperforming categories. Adaptive Leasing: Use flexible lease terms or pop-up spaces to test new concepts without long-term commitment. Traffic Balancing: Choose tenants with varying peak hours (e.g., a breakfast cafe vs. an evening gym) to prevent parking congestion and maintain steady activity throughout the day.

Advertising

The Company will promote the business through:

- Other: Will use commercial realty services to market available retail spaces, as well as cultivate an online digital marketing platform..

Competitor Analysis

The Competitors

The Hinman Company, Great Lakes Development Group, Parkland Properties of Michigan.

SWOT Analysis

Strengths

Though dealing in just residential properties so far, we have successfully dealt with banks, hiring and firing property managers, home rehabilitation, vacancies, and evicting tenants. Prior to forming an LLC our business we successfully endured the 2008 financial crisis with no resulting harm to our credit ratings. Lastly, we tend to be good at wisely sitting out overpriced contracting offers and finding better ones. Also, we have done landscaping, interior work and painting, and some outdoor improvements ourselves.

Weaknesses

Bornemann Realty LLC has no full-time employees, just two part time owners. Our assets are mainly property so our fixed asset: cash ration is high. Also, our experience has been residential only. We do not have experience with forming an exit strategy for our business.

Opportunities

Current opportunities are in the commercial real estate business, we think retail. There is always our residential business, but these acquisitions are more difficult to leverage with investor equity, and each requires a high amount of personal sweat equity from our LLC members.

Threats

A big threat now is a competitor with more cash moving in and buying the property before we do. There is an adjacent property for sale too but it is larger, more expensive, and a further from the East Pontaluna Grand Haven Road intersection.

Operations

Daily Operations

During the weekday we check emails for financial reports from property manager Access Properties and correlate it with bank reports from our Huntington Business account. If a unit is empty, we generally do weekend work on it personally. Often day trips are needed to each property to let in any contractor not hired by our property manager.

Operational Facilities

We have a home office, with a personal computer, filing cabinet, and lock a well as a post office box. We hire a property manager to perform the vast majority of our residential work.

Staffing

The Company will continue to employ one full-time employee for the foreseeable future.

Suppliers

We use Amazon, Alger Hardware in Grand Rapids, Larson performance storm windows, and big box stores such as Lowes, Home Depot, and Menards..

Exit Strategies

The following exit strategies reflect the Company's current preferences and are provided for planning purposes only. They are forward-looking and do not create any promise, agreement, or legally binding commitment, and actual outcomes may differ based on future circumstances.

The following potential exit strategies are considered:

- Sale to a strategic or financial buyer
- Orderly liquidation and winding up of the business

Financials

Capital Requirements

The Members' initial investment is valued at \$225,000.00.

In addition, the Company will need to obtain a loan in the amount of \$1,750,000.00.

The loan's terms are: There are two paths being explored. The first is a nominal contribution from an SD-IRA or IRA then contributions via a regulation D 506(C) type LLC, or joint venture partners. The second path is through a bank or credit union, in which case the commercial facility may need a prompt exit strategy if the bank terms are onerous (floating rate which leads to higher payments) or business is insufficient. Based on my experience as a limited partner in a multi-family project, both of these outcomes are possible.

Other financial information: For the joint venture partnership, it will most likely be a 95:5 split between investors and Bornemann Realty, respectively. That is unless we work with private equity funds and/or equity brokers.
