



# Progress Capital Management, LLC

March 2009

## Project Particulars and Status

Viswa and Chandra Mandalapu (brothers) are the owners of the three office properties owned by separate entities titled Arc Realty Ventures, LLC; Milestone Ventures, LLC; and Arc Somerset Ventures, LLC, respectively. The property located at 1001 Durham Avenue, South Plainfield, NJ is a 108,020 sf Class A building which is fully occupied and includes the principals' IT development / consulting company, Vision Systems Group, Inc. (www.vsginc.com). The 230 Davidson Avenue, Somerset, NJ building contains 16,130 sf of space with 3,750 sf available for lease. The building located on Route 27, Somerset, NJ contains a total of 32,490 sf with a small office of 2,700 sf available for lease.

"Courage is being  
scared to death – but  
saddling up anyway."

- John Wayne

## Current Loan Status

To date, the Borrower has made principal repayments totaling \$1,400,000. Since the investor email update on March 24, 2009, PCM has received \$82,000 toward interest reserve and legal fees. Our attorney is preparing the necessary documentation extending the loan through May 31, 2009. What we did not receive were the Deeds to be held in escrow by our attorney. After our verbal agreement, borrower's counsel re-negotiated this part of the agreement. After much back and forth, we decided to waive this requirement because a) we obtained the added reserve; b) we wanted to give the Borrower until May 31 to see if any of the alternate methods to repay our mortgage would materialize; and c) we still have our rights and remedies. Had we not agreed to forgo the Deeds in escrow, we felt that it would have escalated into a legal battle which would have distracted the borrower from completing a transaction to repay our loan. We will continue to monitor this situation closely.

Total PCM Loan Amount	\$5,000,000.00
Total Principal Returned	<u>1,400,000.00</u>
Principal Balance Outstanding	\$3,600,000.00
Total Interest Paid to Date	\$ 840,020.73



Interior space of TD Bank (above) and TUMI Luggage Company (below)  
at 1001 Durham Avenue, South Plainfield, NJ





Executive Office Level in TUMI space





Buildings located at 230 Davidson Avenue (above)  
And 1527 Route 27, both Somerset, NJ (below)



Progress Capital  
Management, LLC  
1151 Broad Street  
Suite 212  
Shrewsbury, NJ 07702

Phone:  
(732) 389-9701

Fax:  
(732) 389-8899

E-mail:  
Peter M. Shapiro  
pshapiro@pranorth.com

Kathy Anderson  
kanderson@pranorth.com

## Contact Us

Please feel free to contact us should you have any questions regarding your current investment or would like to be considered for future investments. Progress Capital Management is here to help you make the most on all your investments with us.