

ANNUAL REPORT

2017

LEAD • RESTORE • BUILD

HOFFMANUnited





2017 LETTER FROM THE PRESIDENT

THIS IS JUST THE BEGINNING

Many moments from 2017 serve as vivid reminders to the important challenges our Erie community is up against. We are thankful for the relationships we have built that have allowed us to grow to new levels and reunite our community with hope and joy. I am grateful to our vendors, partners, employees, friends, community, and family for making 2017 a great year for Hoffman United. It's incredible to think that this is just the beginning.

COLLABORATION IS AN AMAZING MOMENTUM

Hoffman United invested over \$2.2 million into Erie, Pennsylvania in 2017. We bought distressed and blighted properties, and transformed them into quality apartments for Erieites. And we're not done yet!

We are dedicated to raising the economic standards that our community faces. A strong performance is about small improvements, and that is what everyone at Hoffman United focuses on each day. We want to be the best in the real estate and construction industries and our success would not be possible without our vendors, customers, and key partners that are important to recognize for taking the risks and developing relationships with us when others wouldn't.

A special thank you to: First National Bank, Northwest Savings Bank, Knox Law Firm, Coldwell Banker Select, and Joe Herbert Realty.

WE HAVE MORE TO DO

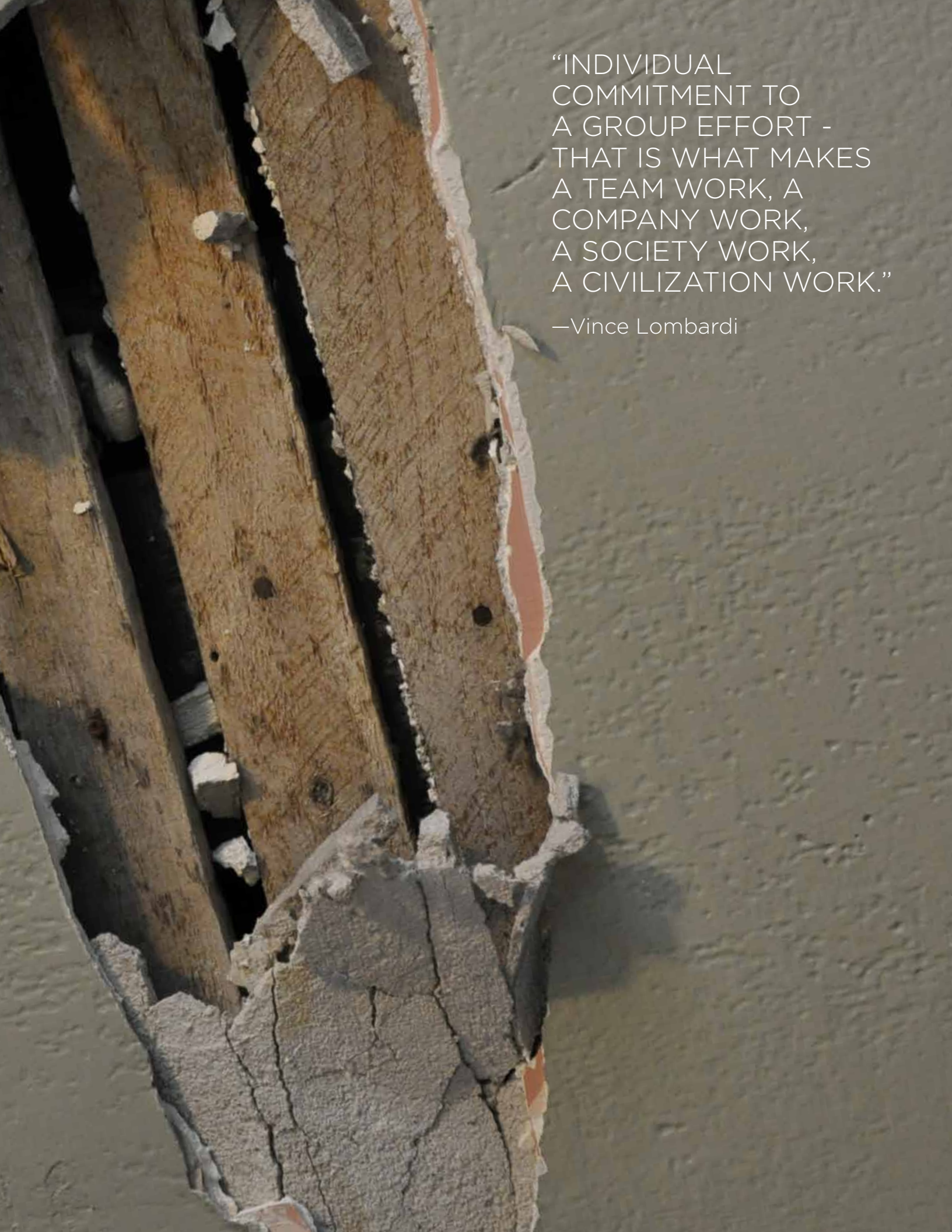
We work hard to continue to build the trust and respect of everyone who helps make Hoffman United successful. Our growing management, partners, and advising teams showcase their remarkable capabilities, character, culture, experience, and wisdom with every new challenge. They are committed to helping make local communities thrive once again.

As we move forward, let's continue to be a company that strives for greatness with every project. We are on track to fulfill our ambitious strategic plans in 2018 and 2019 by making continuous improvements throughout our business to achieve stability, profitability, and growth. We are devoted to bringing our energy and passion, not only to the Erie community, but also to other communities in the near future.

I am honored to be able to work at a company and lead a team with so much potential for success and impact. We are shaping the world for the better, and transforming communities one house, one street, and one block at a time.

Paul Hoffman
President





“INDIVIDUAL
COMMITMENT TO
A GROUP EFFORT -
THAT IS WHAT MAKES
A TEAM WORK, A
COMPANY WORK,
A SOCIETY WORK,
A CIVILIZATION WORK.”

—Vince Lombardi

CONTENTS

HOFFMAN UNITED - ANNUAL REPORT 2017

2

COMPANY OVERVIEW

It's not just real estate, we're committed to helping communities revitalize and prosper.

4

KEY PERSONNEL

Meet the foundation who is committed to serving Erie and making long-lasting impacts.

5

DIVISIONS

Lead, restore, build - learn about the different sectors that empower us to grow and help Erie.

6

VENDORS

It takes a village and together we're building and restoring quality homes in Erie.

8

COMMUNITY IMPACTS

Our work is just one piece of the efforts to restoring a community to live, work, and play in.

10

REAL ESTATE HOLDINGS

We started building our portfolio to procure old properties and restore them to quality homes.

13

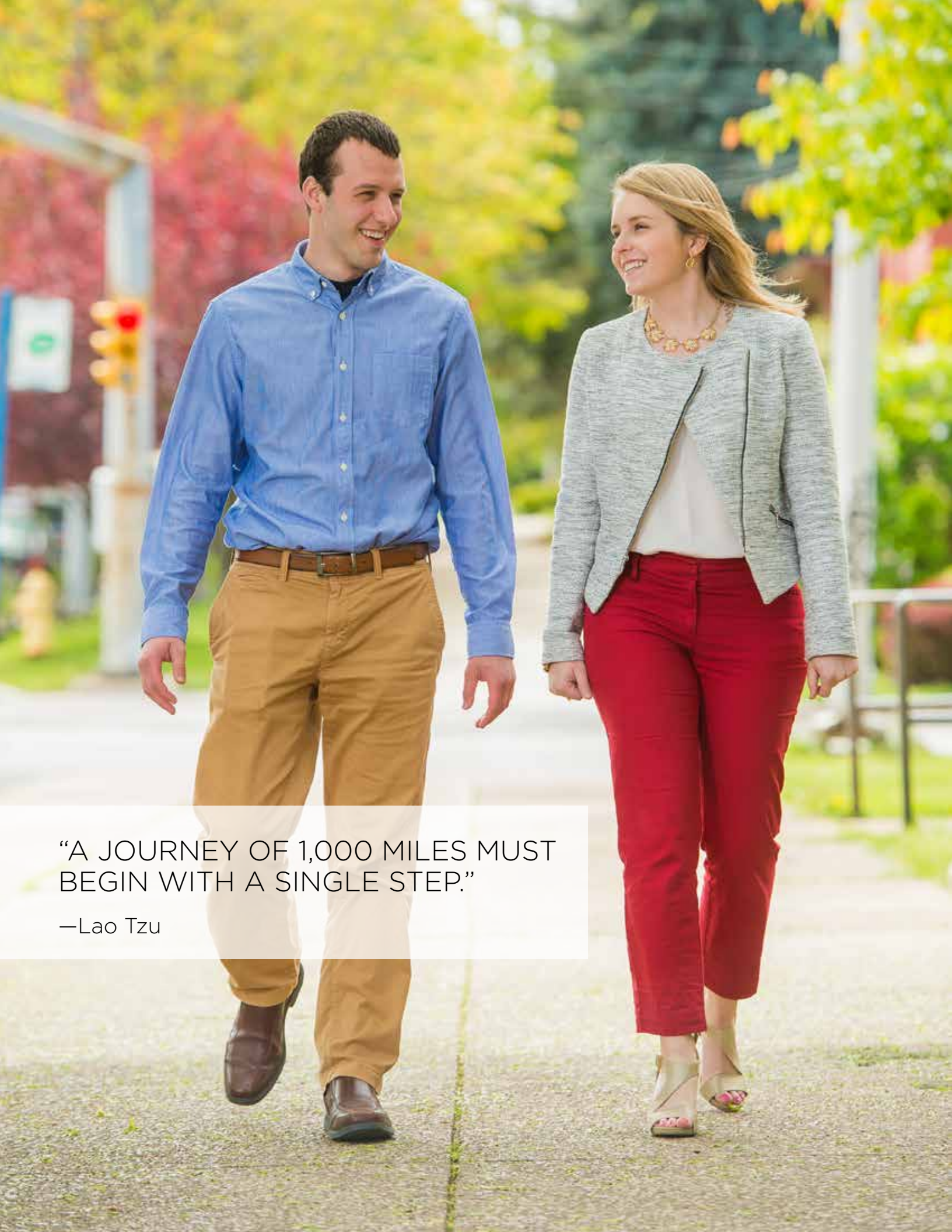
ACQUISITIONS

With vision and focus, we are proud of the inventory we acquired in 2017.

14

RISKS

Awareness is a powerful tool and increases our dedication to revitalization.



“A JOURNEY OF 1,000 MILES MUST
BEGIN WITH A SINGLE STEP.”

—Lao Tzu

COMPANY OVERVIEW

COMPANY HISTORY

Paul Hoffman started his first business at the age of 12. With the support and guidance of his father he went door-to-door, ultimately signing up three neighbors for his lawn mowing service.

He couldn't drive to his clients' homes, so he used his commercial mower as transportation. This proved to be quite the marketing tool!

Hoffman Lawn & Garden's client list quickly grew from three to 30 homes.

Realizing the limitations of a seasonal business, he partnered with a family friend who had 30 years experience in the construction industry. Together, they formed a partnership and built H&M Landscaping and Construction, a full service residential construction company.

But Paul, who was born and raised in Erie, had bigger dreams. Where others saw depressed neighborhoods and abandoned properties, Paul saw potential - an opportunity to make

a lasting economic impact in his community. In 2016, he transformed H&M Landscape into Hoffman United to deliver new services (construction, property management, and real estate development) to help drive economic growth in Erie and in other communities around the nation.

Like most entrepreneurs who can't stay in one place for too long, Paul hopes to take his three-part business model to other cities that need help, and to channel his passion for community service into a run for public office.

MISSION

Hoffman United is strategically focused on helping Erie, PA become a thriving epicenter by procuring blighted properties, increasing market-rate housing, and pursuing economic development opportunities through our development, construction, and property management services. We provide superior quality, excellent customer service, and have an acute attention to detail that exceeds our customers' expectations.

VISION

Hoffman United is a real estate development, construction, and property management company dedicated to community leadership and redeveloping areas to make long lasting economic impacts and thriving cities. Our priority is our customers' needs and where we provide, produce, produce, and manage properties of lasting value to the community. We believe in teamwork, leadership, diversity, ambition, commitment, innovation, and professionalism. We value our employees and customers and strive to enhance our reputation for integrity through our actions.



ACQUIRING HOMES FROM AGES AGO.

We're committed to keeping their
charm and restoring them to
better than their original quality.

KEY PERSONNEL

Our team works together to help create and enact the vision and mission of Hoffman United. We strive for professionalism, building long lasting relationships, and greatness. As a team we are consistently searching for techniques to improve ourselves and our successes.



PAUL R. HOFFMAN
President

Paul oversees residential units in the heart of downtown Erie and handles all business development activities. He sets and manages budgets; interacts with investors, customers, and community leaders; allocates capital to the divisions of Hoffman United; and approves all real estate acquisitions. He also works in the field, managing construction and landscape crews. Paul is driven by his vision of what it means to be an American, "We dream, we build, we create. It's called the American Dream."



CHRISTINE HOFFMAN
VP, Property Manager

Christine assists Paul in creating and driving the vision for Hoffman United. Christine is also the property manager for Hoffman Management. She oversees residential units in the heart of downtown Erie. Christine also interacts with investors, customers, and community leaders. Her vision is, "First improve and make Erie a better place, which will make this country and the world a better place."



PAUL MABIE
Manager

Paul grew up in the construction industry beginning his career as a teenager working with his father, Regis Mabie, in roofing. In 2014, Paul joined Hoffman Construction, a division of Hoffman United, and instantly became Paul Hoffman's right hand man. Paul currently serves as Manager for Hoffman United and is responsible for project management, estimating, field operations, equipment and fleet management, and safety.



TIM SHANNON
Manager

As a manager, Tim oversees construction projects and manages all apartments.. He is also responsible for the coordination of field work management of project personal, coordination of material deliveries, and site visits. Tim handles the day-to-day managment and field duties.

DIVISIONS



DEVELOPMENT

Our real estate development is strategically focused on acquiring blighted and abandoned residential and commercial properties throughout the Erie community that will cultivate better living and create new businesses to improve Erie's economic development.



CONSTRUCTION

As full-service general contractors, specialize in roofing, additions, remodels, and painting for both residential and commercial properties. Our staff is highly trained, certified, knowledgeable, and ready to provide the absolute best construction services possible.



MANAGEMENT

Our in-house property management staff coordinate all rental services including financial management, leases, maintenance and repairs, and tenant placement in our rental properties located throughout downtown Erie.

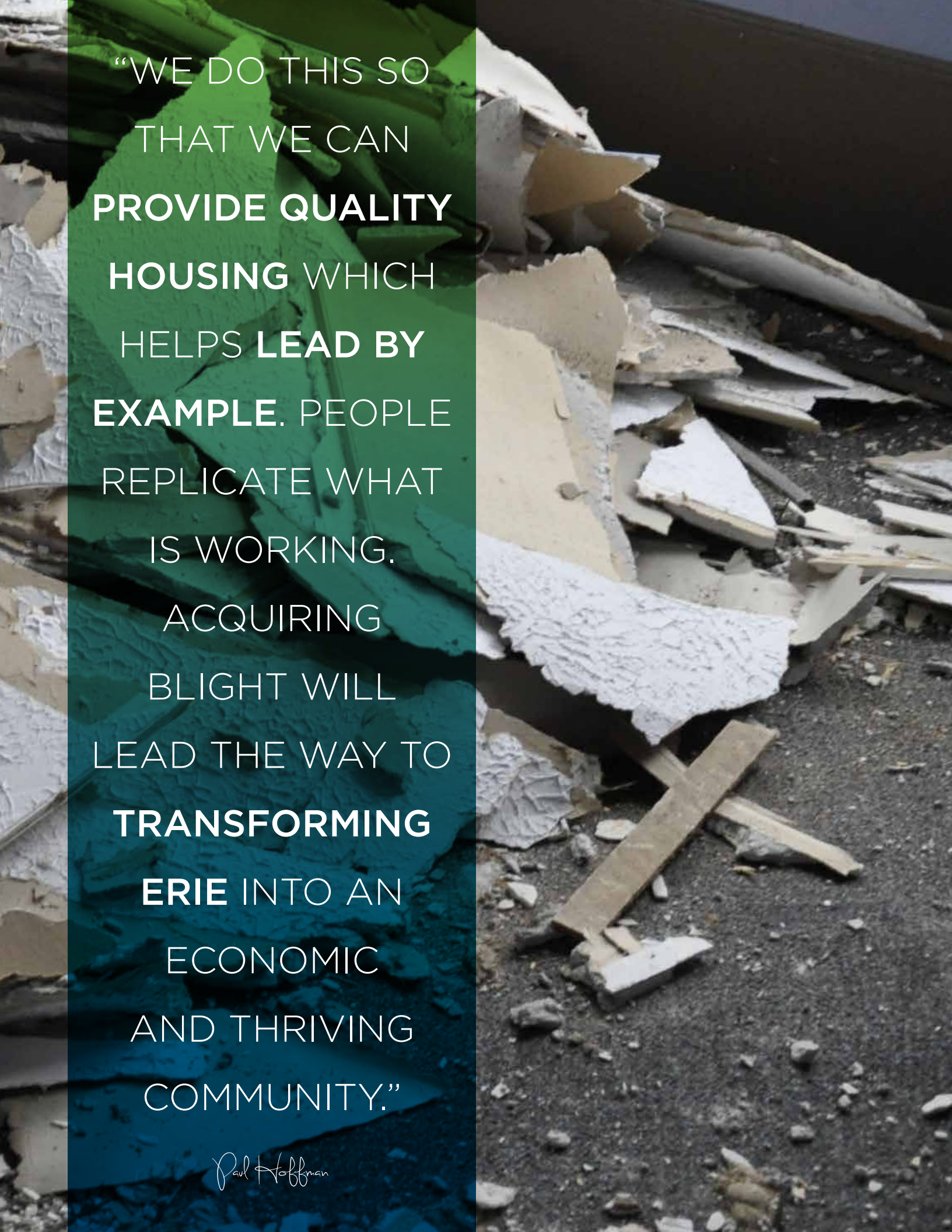


IT TAKES A VILLAGE

A Duchini
 ABC Supply
 Admar
 Appliance Parts
 Autozone
 Bargain Outlet
 BP Gas
 Brewi Penn State
 Brian Scully
 Bridgway Capital
 Building Specialties
 Carter Lumber
 City of Erie
 Commercial Turf
 Commonwealth of PA Contractor Fee
 Commonwealth of PA Sales Tax
 Commonwealth of PA Transportation
 Contract Labor
 Conway & O'Malley
 Country Fair
 Creative Imprints
 Dave Murzynski
 Delta Sonic
 Detail Concepts
 Dirt Works
 Duchini's
 Dunn Tire
 Dwayne Maxson
 Eagle View
 ECCA
 Erie Bank
 Erie Insurance
 Erie Landscape Supply
 Erie Reader
 Erie Seawolves
 Erwin Dunlap
 Facebook
 Fairview Hardware
 First National Bank
 Fox 66
 Friday's
 Frontier Lumber, Inc.
 Ganzer Rental
 Gerlachs

Get Go
 Glass Block Specialties
 Great Lakes
 Guttman Oil
 Harbor Freight
 Harkness Construction
 Harland Checks
 Heidi Kerner
 Hoffman Glass
 Home Depot
 Hunter Klenz
 Interstate Security
 Irr Supply
 Jackson Plumbing
 Janitors Supply
 Jeff Hammer
 Jefferson Educational Society
 John Carone
 Johnston's Nursey
 JSL Wallace, Inc.
 Key Lock
 Kindle Heating
 Knox Law Firm
 Kraus Department Store
 Kwik Fill
 Land's End
 Landlord Locks
 Lowes
 LTL Properties
 Mason Farms
 Master Card
 Mega Media
 Mike Wolzonski
 Miller Brothers
 MK Property Maintenance
 Modern Builders Supply
 Napa Superior Auto Supply
 North East Motors
 North Face
 NY Sales Tax
 NY State Insurance
 O'Reilly Auto Parts
 Office Max
 PA Department of Transportation

PA One Call
 Paul Hoffman
 Paypal
 Perkins
 Post Office
 Precision Alignment
 Presque Isle Designs, LLC
 Presta Supply
 Pro Waste
 Quickbooks
 Red Apple Gas
 Rick Hoffman
 Rick Sornberger Automotive
 Rite Aid
 Robert Frank
 Rodgers and Son
 Sage
 Sheetz
 Sherwin Williams
 Simonian Electrical
 Sirius Radio
 Site One
 Skippereno's Restaurant
 SKS
 Stan's Garden Center
 Starbucks
 Sue Notary
 Synchrony Bank
 The Hite Company
 Tim Hortons
 Tires for Less
 Tom Havern
 Tops Market
 US Dot Number
 V Appliance Parts
 Value Home Center
 Venango Supply
 Verizon Wireless
 Walmart
 Weber Electric
 West End Hardware
 Working Lawns
 Yodle



“WE DO THIS SO
THAT WE CAN
**PROVIDE QUALITY
HOUSING** WHICH
HELPS **LEAD BY
EXAMPLE**. PEOPLE
REPLICATE WHAT
IS WORKING.
ACQUIRING
BLIGHT WILL
LEAD THE WAY TO
**TRANSFORMING
ERIE** INTO AN
ECONOMIC
AND THRIVING
COMMUNITY.”

Paul Hoffman

COMMUNITY IMPACTS

IN 2017, HOFFMAN UNITED INVESTED \$2.2M INTO ERIE.

Lead. Restore. Build. These are the principles we live by.

LEAD. We set the bar for good leadership while always using the Golden Rule as our guide. The quality of our management is reflected in the standards we set for ourselves. We strive for small improvements every day.

RESTORE. It is our mission to bring beauty back to buildings that have deteriorated with time. We want to restore communities and improve the local economy so everyone may participate in the American dream.

BUILD. Hoffman United has one mission: to build communities that will last for generations to come. We do not seek achievement for ourselves while working for others. We know that our ambitions must include the aspirations and needs of all people in the community. We want a legacy in the Erie region because we believe in this city, and that together, we can make a difference by improving one home, one block, and one street at a time.

In 2017, we promised to contribute 80 percent of our gross profit from our construction division (residential projects like roofing, remodels, additions, and improvements) to investing in properties in the city of Erie. We're proud to say that not only were we able to contribute \$80,000 from our profits but our President, Paul Hoffman, personally made a contribution totaling \$114,000 that will add over 92 residential Hoffman United units in and around the city of Erie.

When you hire Hoffman United for your residential or construction needs, you're making a commitment to future thriving communities in Erie. We're happy to serve you and help you make your house, your home. You can learn more about our construction services at: HoffmanUnited.com/construction




WE ARE!

As a full-time student and professional, I'm happy I can still commit time to helping organizations and events like THON at PSU. THON is a student-run philanthropy group whose mission is to provide support and awareness for families and children affected by childhood cancer. To become involved visit, www.thon.org

SPONSORSHIPS

A special thank you to our 2017 sponsorships: Cathedral Preparatory School, The Jefferson Society, and the Erie Zoo who collectively raised approximately \$3,000 to help us restore Erie properties.



“WINNERS EMBRACE
HARD WORK. THEY
LOVE THE DISCIPLINE
OF IT, THE TRADE-
OFF THEY’RE MAKING
TO WIN. LOSERS SEE
IT AS PUNISHMENT.”

– Lou Holtz



PO Box 481, Erie, PA 16512
Office 814-860-1903
HOFFMANUnited.com

Equal Opportunity Employer (E.O.E.)

PA #114936