

# JEFFERSON RESERVE PHASE II

SIOUX FALLS, SD



BOARDWALK WEALTH



MAILBOX MONEY





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This advertisement does not constitute an offer to sell securities of Boardwalk Wealth or its affiliated entities. Any offer to sell securities will only be made available through an exemption from registration pursuant to Regulation D, and qualified investors will be provided with a Private Placement Memorandum. Further, any offer herein is only available to accredited investors as defined under Regulation D. All investments are subject to risk of total loss of capital, investors should consult an investment professional or review the Private Placement Memorandum before investing.

This offering includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which represent our expectations or beliefs concerning future events that involve risks and uncertainties, including those associated with our ability to obtain financing for our current and future operations. All statements other than statements of historical facts included in this presentation including are forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot assure you that such expectations will prove to have been correct. You should always consult your own independent tax or legal professionals or advisors prior to making any investment, including this one. Important factors that could cause actual results to differ materially from our expectations (“Risk Factors”) are disclosed in the Private Placement Memorandum, including without limitation, in connection with the forward-looking statements included in the Memorandum. All subsequent written and oral forward-looking statements attributable to us or persons acting on its behalf are expressly qualified in their entirety by the Risk Factors.

This document contains forward-looking statements relating to such matters as anticipated financial performance, business prospects, services, developmental activities, amount of funds made available to the company from this offering and other sources, and similar matters.

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Average historical returns to investors are not a reflection or guarantee of future returns and such averages are aggregated from a portfolio of investments, as such, returns over the various investments may vary and certain investments may have performed below the average historical returns since such averages may not have accurately reflected the performance of specific investments. Further, future investments may not achieve the average returns and may be subject to total loss. All investments are subject to risk of total loss of capital, investors should consult an investment professional or review the Private Placement Memorandum before investing.

The building visuals featured in this presentation are representative of an existing project that serves as a model for Briarwood Reserve. Please note that the final designs and construction of Jefferson Reserve Phase II may be subject to modifications at the sole discretion of the Manager.



# EXECUTIVE SUMMARY

## The Opportunity

Jefferson Reserve Phase II (the “Project”) is a multi-phase, three-story, garden-style development. This second phase will comprise 96 units targeted to be developed within 14-16 months.

Phase I construction is completed and leasing on 1 of 3 buildings, with the other 2 buildings coming online before the end of 2024. Building 1 was ~58% pre-leased on opening day, demonstrating the wise submarket selection and business plan. **Cash flow from these rents offers Phase II investors a de-risked development opportunity.**

This phase continues our quality but no-frills (amenity-lite) design that we have executed not only in Phase I but also on sister projects nearby — Reserve Flats, Briarwood Reserve, and Maple Rock Reserve. This process reduces construction costs and timelines, building and then leasing one building at a time.

The project offers significant potential tax savings and deferrals to participating investors:

- **Opportunity Zone:** investors can reinvest capital gains from a recent asset sale (including businesses, stocks, and real estate) and defer paying taxes on the original gains
- **Immediate Depreciation Write-Offs:** all investors will receive 2024 tax write-offs from the Phase I units, and then again in 2025 from the Phase II units
- **Immediate Tax Credits:** as a result of our energy efficient construction, investors will also receive credits (a 1:1 offset to taxes) for both the 2024 and 2025 tax seasons

The development is strategically located in the rapidly growing North West submarket of Sioux Falls, SD. It abuts the popular Jefferson High School, and is walking distance to Southeast Technical Institute, and The Career and Technical Education Academy. The Amazon Shipping Center is also a short drive away.

Jefferson Reserve delivers brand new Class-A apartments under the \$1,400 rent sweet spot, in a clean and safe area that the city is heavily backing with new infrastructure, near several in-demand local amenities, that all come together to align with the emerging dominant class of renter that is extremely price sensitive.

Boardwalk Wealth has navigated a high interest rate environment, and the end of a rent growth explosion on the tail of an amenities craze, in order to create **an opportunity that was years ahead of its time and can be clearly verified by the success of the previous phase, while allowing for even more investor tax relief than the standard multifamily deal!**

Phase II is shovel-ready, with completed zoning, building permits, and architectural drawings, for an immediate start post-funding.

## PROJECT SUMMARY

Property Name	Jefferson Reserve Phase II
Market	Sioux Falls
Submarket	NW Sioux Falls
Units	96
Unit Mix	See “Unit Mix”
Vintage	2025/2026
Total Capitalization	\$15.2MM
Targeted Equity	\$5.6M
Targeted Holding Period	~4 years
Year 1 NOI	\$755,070
Year 3 NOI	\$1,225,249
Return Metrics	Pg 18-19

## ANTICIPATED DEBT FINANCING\*

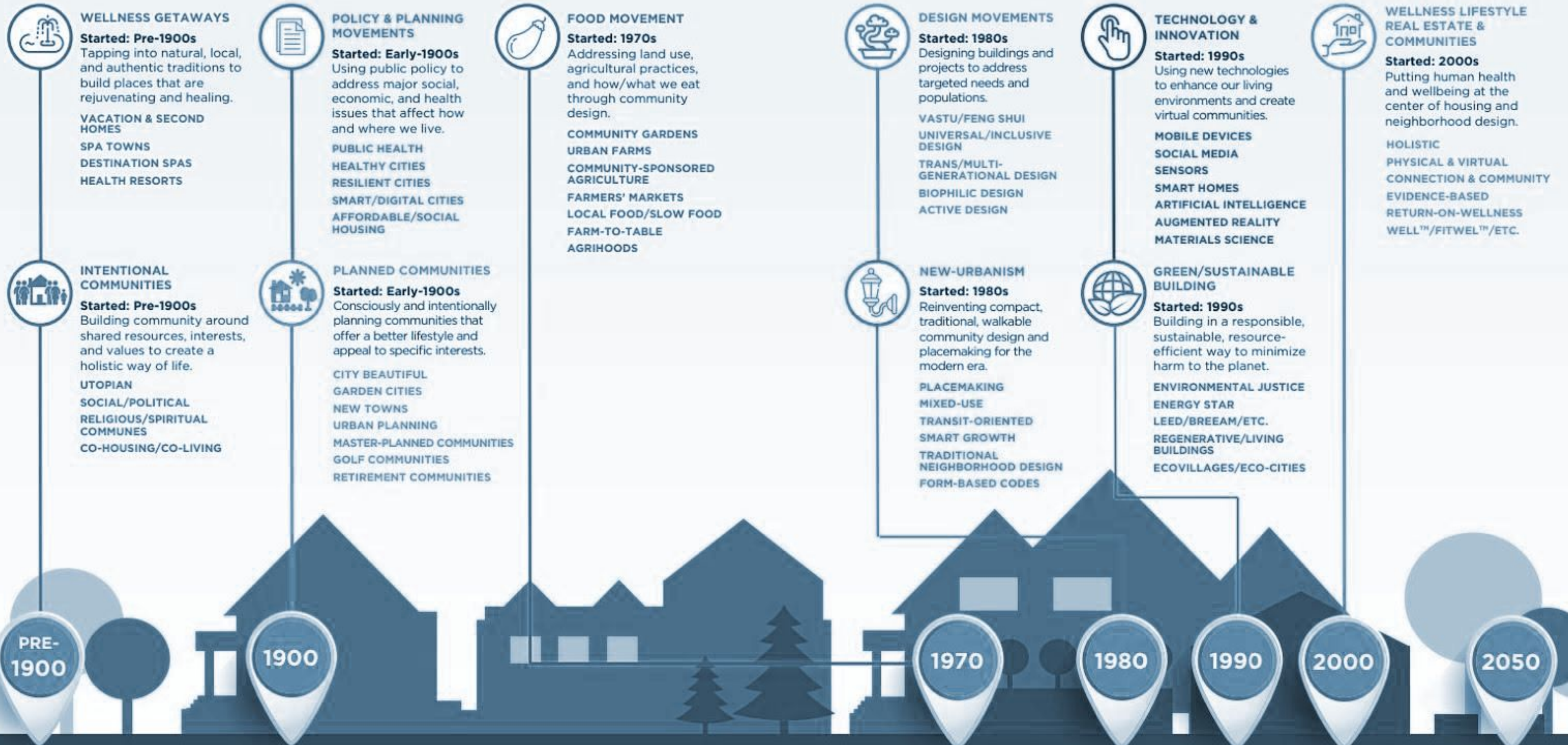
Principal Balance	\$9.6M
Interest Rate	7.0%
Leverage	65%
Amortization	30 years
Term	4 years
I/O period	4 years

*\*Subject to change prior to closing*





# WELLNESS DESIGN LEADS TO HEALTHIER LIVING





# WHY MULTIFAMILY?

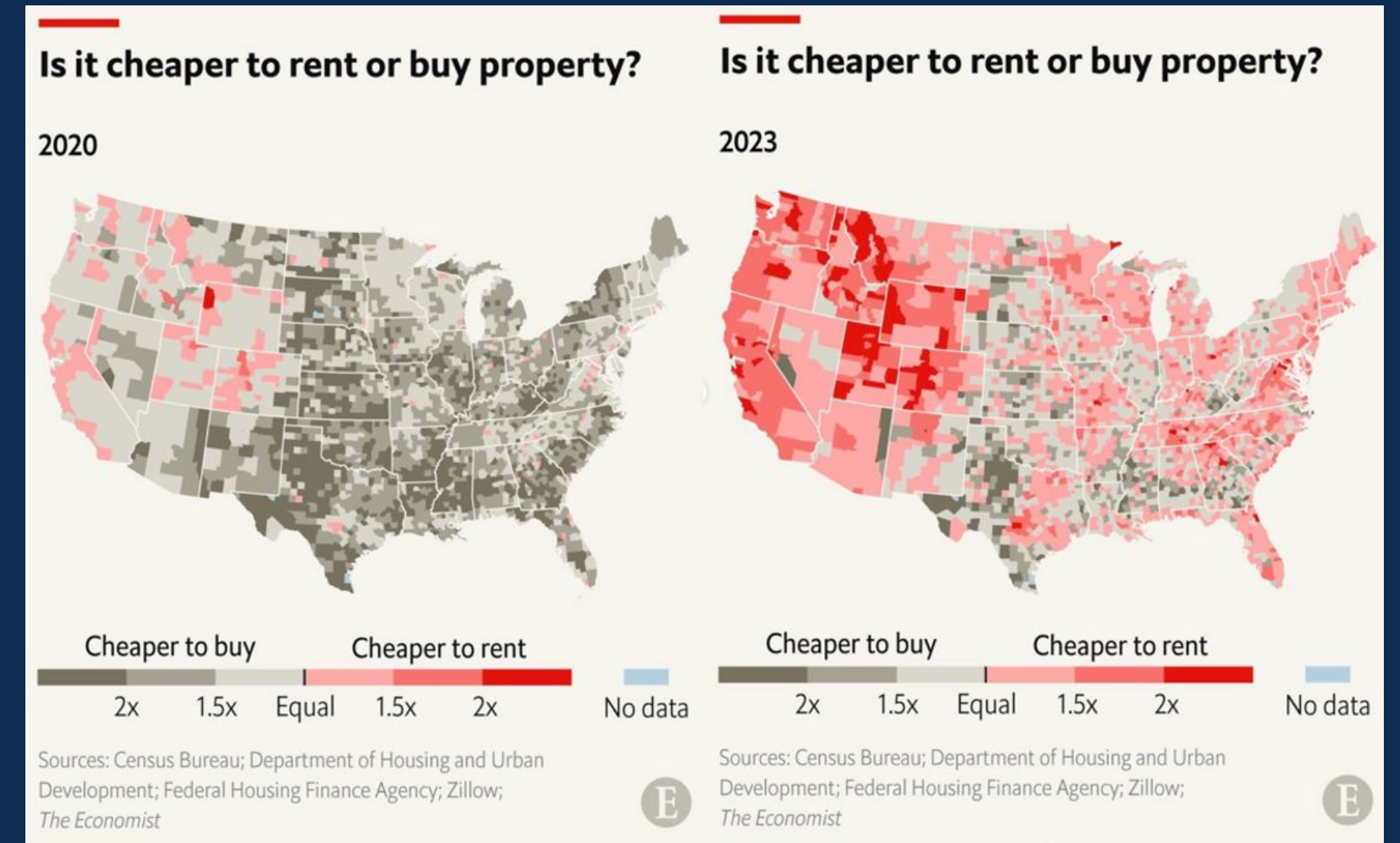
## Why Invest in Multifamily Real Estate?

Faced with a housing crisis, our country has skyrocketing demand for affordable rentals in safe areas now that home ownership is out of reach. It also serves the needs of the growing "renter by choice" market of both young professionals and retirees looking to downsize.

Multifamily housing brings economies of scale, lowered environmental impact, and more efficient use of urban space. As a result, investments in multifamily carry with them some of the most aggressive and transformative tax savings and deferrals available to an investor across any asset class.

## Multifamily Benefits At A Glance

- **Passive Income:** stable quarterly distributions from the cash flow of the property
- **Capital Appreciation:** multifamily avails investors of both inflation protection from real estate as well as the levers of "forced appreciation" in the form of proven value-add business plans, so that your money grows
- **Reduce Tax Drag:** unique depreciation benefits in the form of paper losses, as well as the option of capital gains tax deferral, lets investors keep and re-invest more capital for exponential growth
- **Lowest-Risk Real Estate:** less volatile than office and retail, and less dependent on any single tenant like residential, also historically offering the highest risk-adjusted returns
- **Consistent Demand:** an essential need at a time when alternative options are becoming more inaccessible

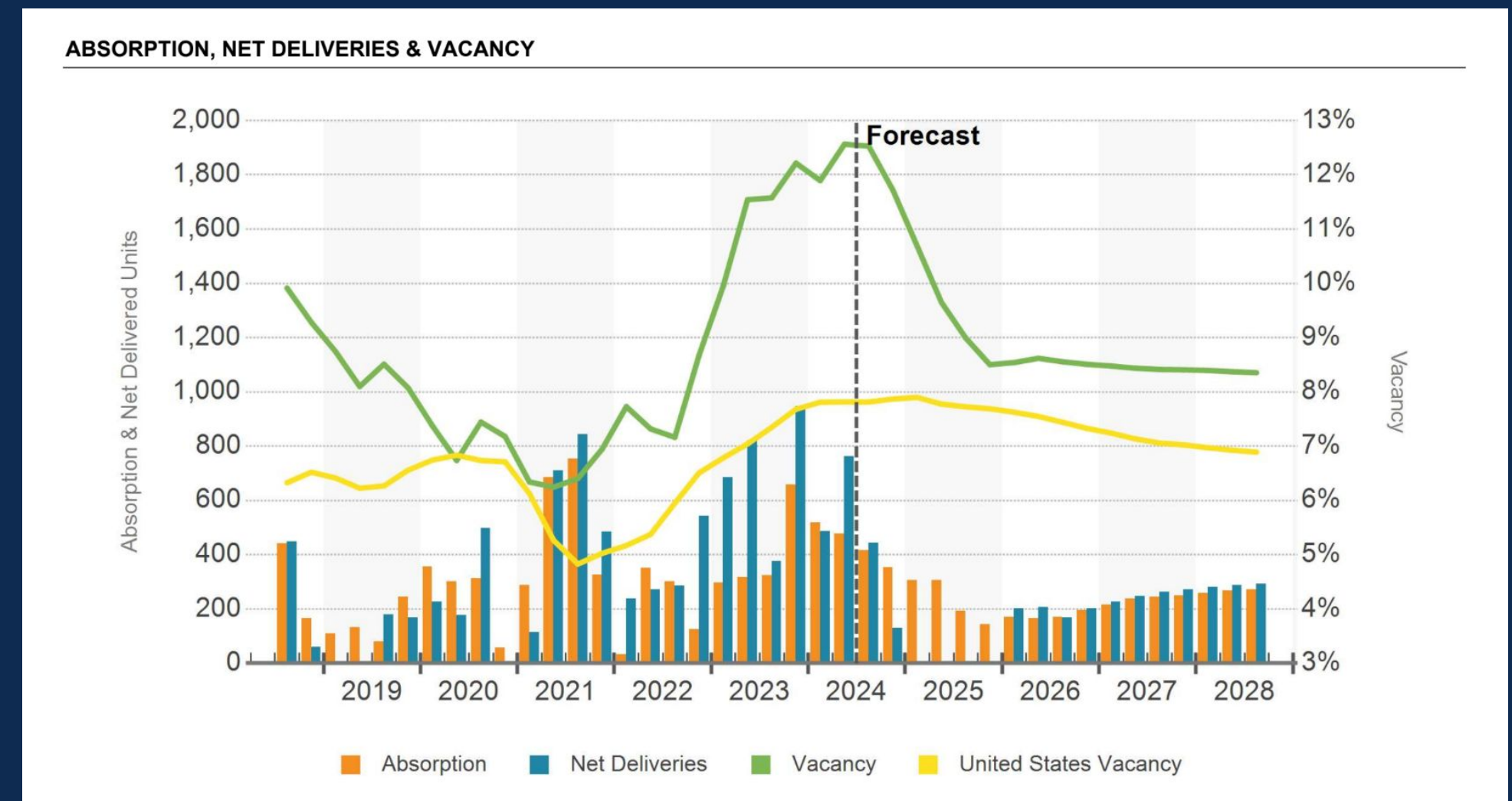
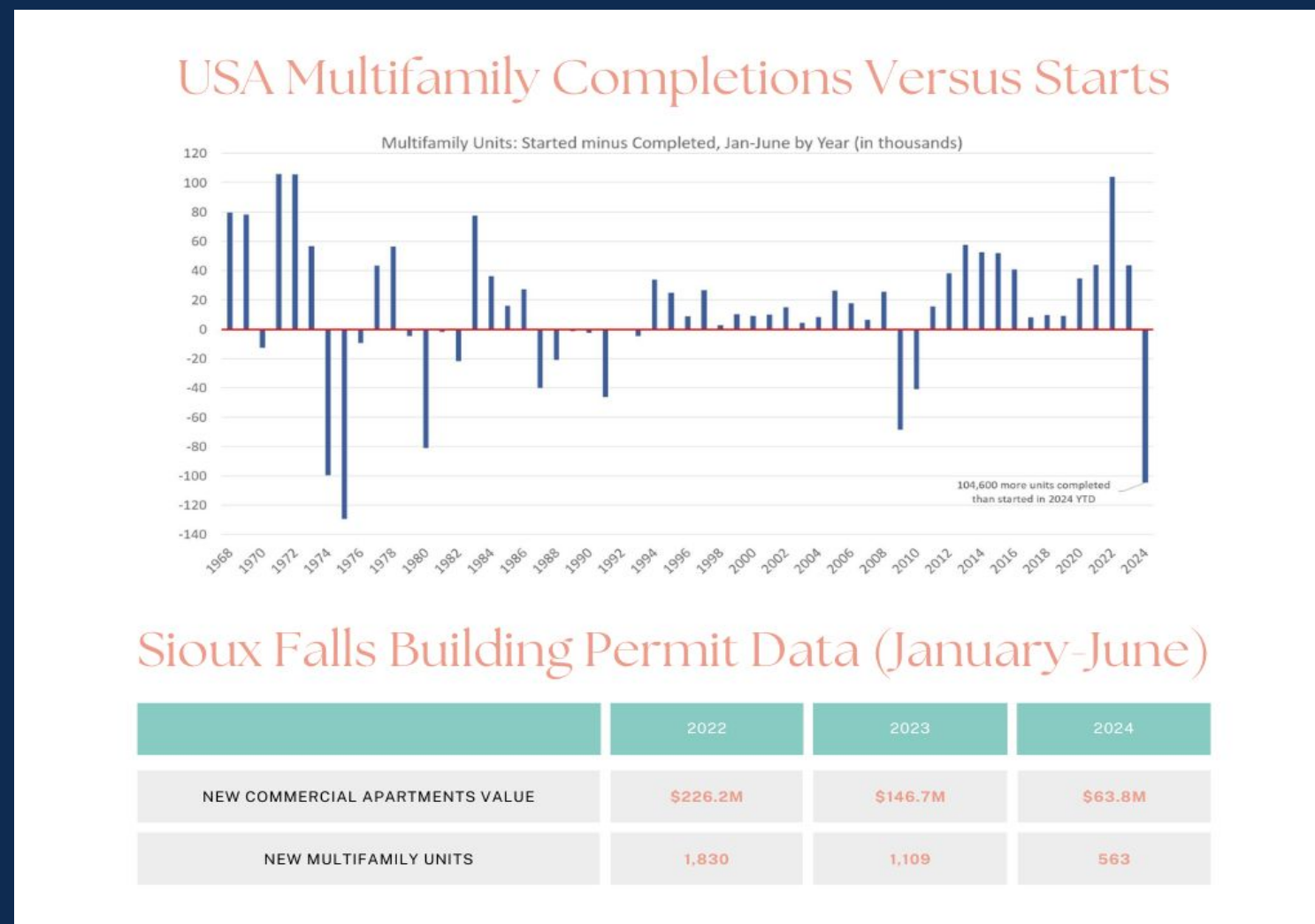




# OPPORTUNISTIC MULTIFAMILY TRENDS

## Multifamily construction starts are *falling* drastically from 2020-2023 levels nationwide

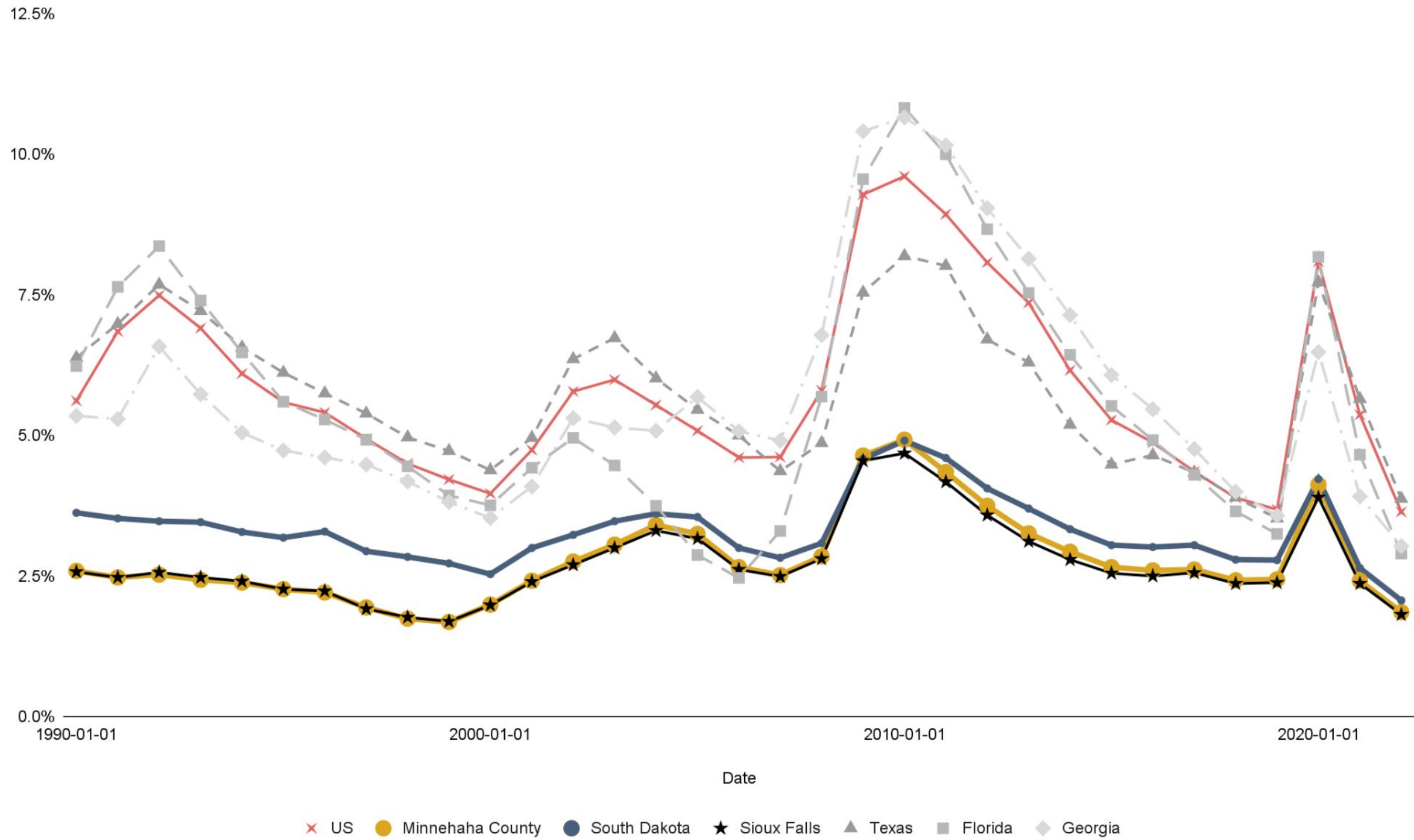
- **This is even more pronounced in Sioux Falls**, with permitting data through June 2024 tracking *lower* than the same timeframe in 2023 and 2022.
- **Yet demand for housing remains strong**. Showing that once the current supply is absorbed, there will not be enough future supply to meet demand... likely resulting in **serious upward pressure on rental rates!**





# SIOUX FALLS MSA OUTPERFORMS

## Unemployment Trend (%)



**Sioux Falls consistently maintains a lower long-term unemployment rate than the national average and major markets like Texas, Florida, and Georgia.**

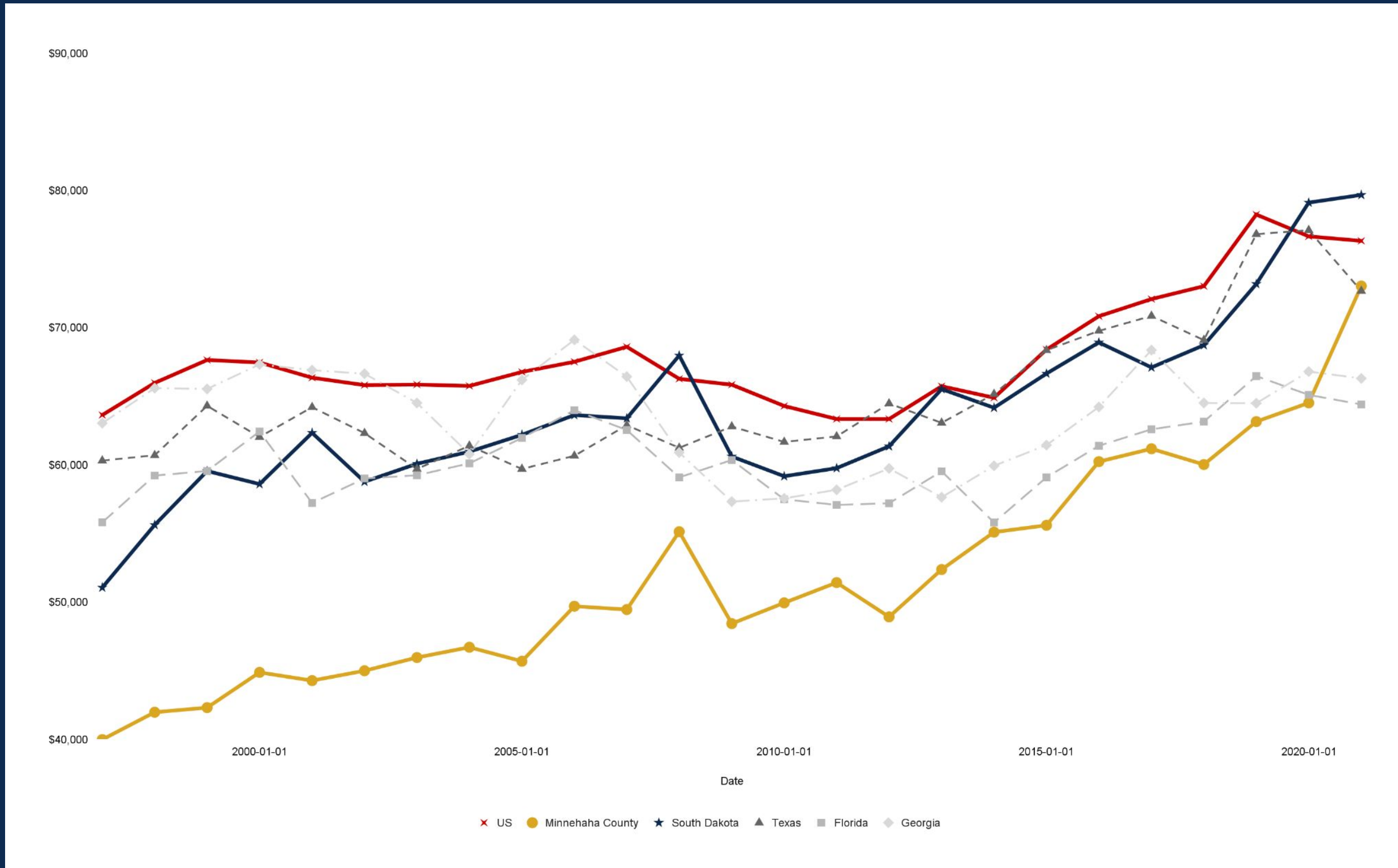
The city's economy is thriving and diverse, supported by a robust healthcare sector, a burgeoning technology industry, and a lively retail and service sector. This varied mix of industries has enabled Sioux Falls to navigate economic downturns successfully and sustain a steady job market.

Chart Data Source:  
<https://fred.stlouisfed.org>



# SIOUX FALLS MSA OUTPERFORMS

## Median Household Income



**Sioux Falls MSA and South Dakota boast a median income that surpasses both the U.S. national average and other prominent markets like Texas, Florida, and Georgia.**

This reflects the city's robust economy and its capacity to offer well-compensated employment opportunities to its residents.

Chart Data Source:  
<https://fred.stlouisfed.org>



# WHY SIOUX FALLS?

## SIOUX FALLS' GROWTH CONTINUES

**#1** Best City for Young Professionals

**#1** Best Small Places for Business and Careers

**#3** Hottest Job Market in 2020

**#11** Best Quality of Life in the US

### SIOUX FALLS MULTIFAMILY MARKET SNAPSHOT

**93.7%**  
Occupancy

**8%**  
YOY Rent Growth



## SIOUX FALLS SUBMARKET (ZIP 57107)

### BY THE NUMBERS

**\$77K**  
Median Household Income

**6.6%**  
Population Growth Since 2020

**1.7%**  
Unemployment Rate

### MAJOR ECONOMIC DRIVERS

**Medical** Multiple hospitals  
**Big Stores** Walmart, Target, Home Depot, Best Buy  
**Amazon** Fulfillment center

### SANFORD HOSPITAL

**#1** Hospital in SD  
**24-hr** Emergency Care  
**20 min** Drive



### AIRPORT



## TOP 10 LARGEST EMPLOYERS SIOUX FALLS

COMPANY	# EMPLOYEES	COMPANY	# EMPLOYEES
1. Sanford Health	10,000	6. Wells Fargo	2,000
2. Avera Health	7,500	7. Walmart/Sam's Club	2,000
3. Sioux Falls School District	4,000	8. City of Sioux Falls	2,000
4. Smithfield Foods	3,500	9. Citigroup	1,500
5. Hy-Vee Food Stores	3,000	10. Department of Veterans Affairs Medical	1,500

## SIOUX FALLS EDUCATION



**ST**  
**Southeast Technical Institute**  
 2,600+ students



**AU**  
**Augustana University**  
 2,300+ students



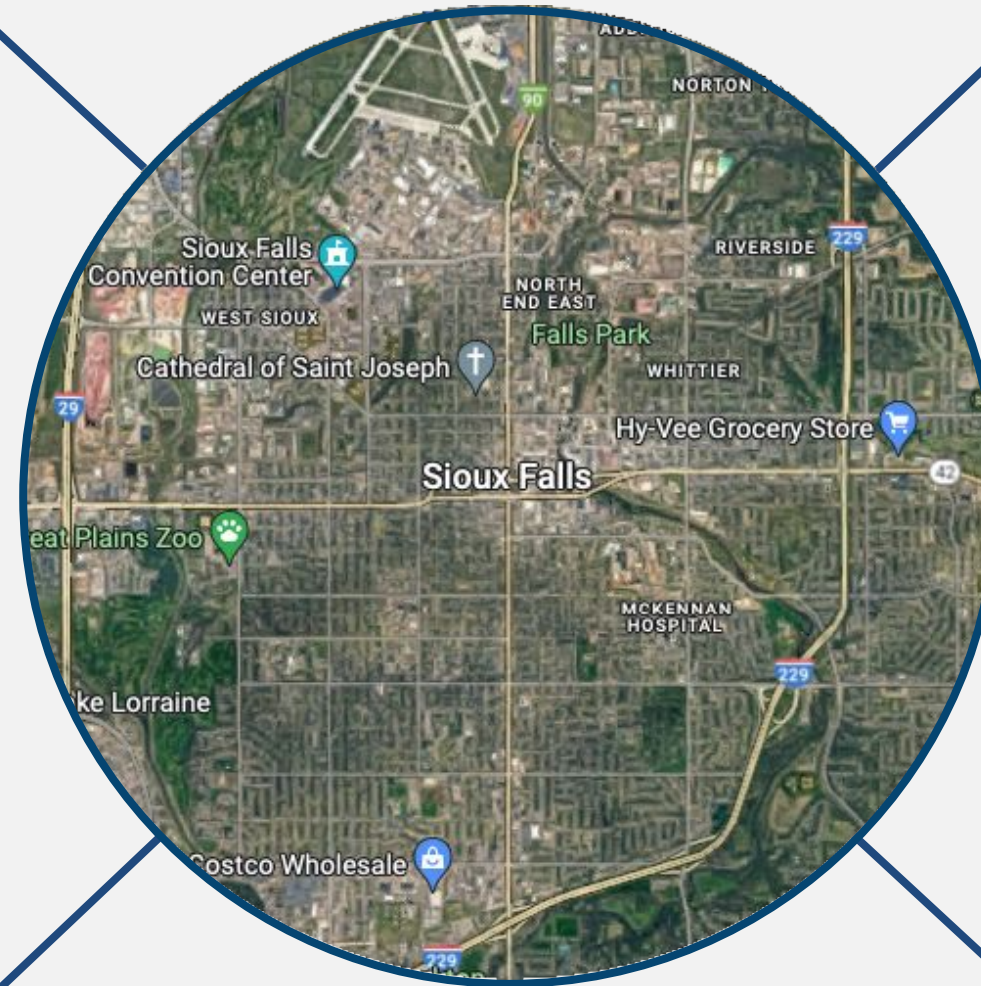
**USF**  
**University of Sioux Falls**  
 1,600+ students



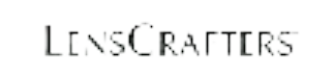
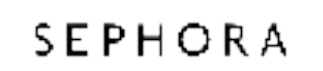


# BUSINESSES INVEST IN SIOUX FALLS

## RESTAURANTS



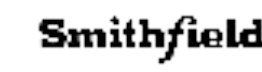
## SHOPPING & RETAIL



## HEALTHCARE & SCHOOLS



## FINANCE/LARGE EMPLOYERS





# 57107 ZIP: SIOUX FALLS OVERVIEW

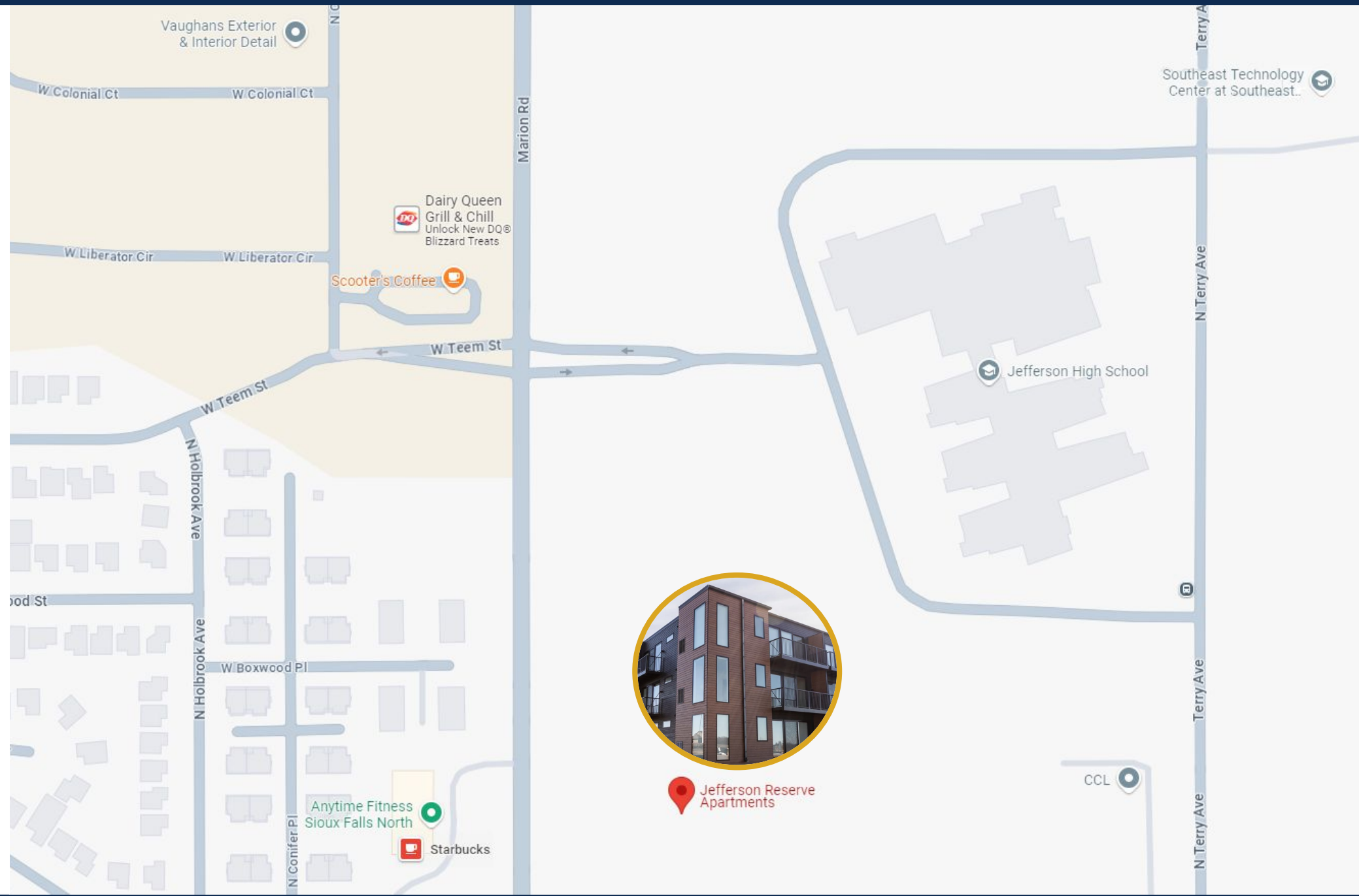
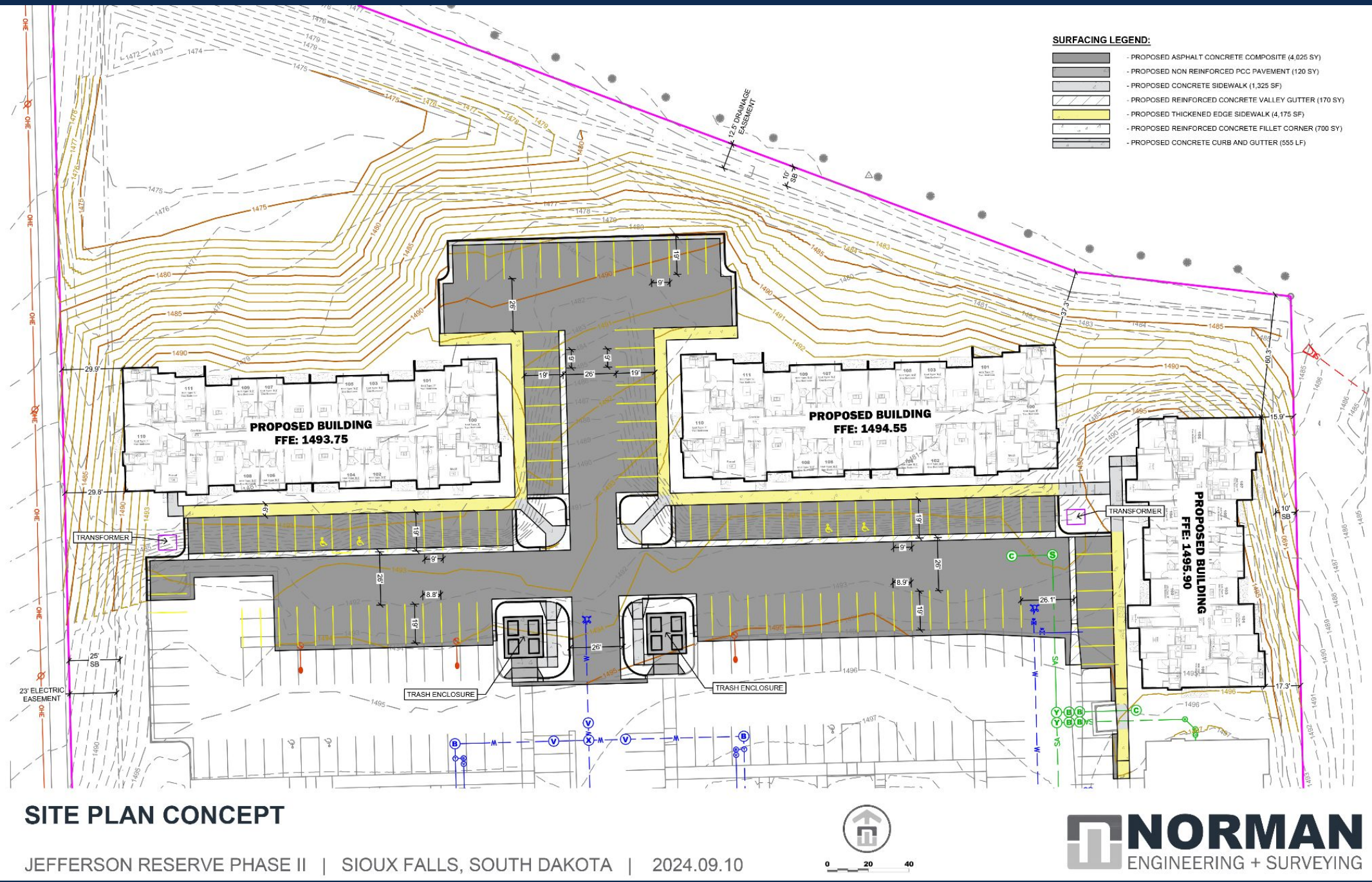


POPULATION	1-MILE	3-MILE	5-MILE
2024 Population	4,958	43,666	119,815
2029 Population Proj.	5,413	47,424	130,400
Population Growth 2024-2029	9.2%	8.6%	8.8%
2024 Average Age	35	37	37
HOUSEHOLDS			
2024 Households	1,901	18,254	50,431
2029 Households Proj.	2,084	19,899	55,132
Household Growth 2024-2029	9.6%	9.0%	9.3%
Median Household Income	\$59,676	\$63,602	\$63,500
Average Household Size	2.4	2.3	2.2
Average Household Vehicles	2	2	2





# SITE OVERVIEW / SITE PLANS





# THE RESERVE MODEL: A PROVEN CONCEPT

A No-Frills Approach with High-Quality Builds, Perfected by Our Team Across Multiple Projects





# UNIT MIX



## UNIT MIX\*

Unit Type	Units	Sq. Ft.	Effective Rent
<b>Studio</b>	26	525	\$1,025
<b>1 Bed/1 Bath</b>	32	695	\$1,175
<b>2 Bed/2 Bath</b>	26	905	\$1,275
<b>3 Bed/2 Bath</b>	12	1,015	\$1,450
<b>Total</b>	<b>96</b>	<b>746</b>	<b>\$1,196</b>

*\*Subject to change*





# RENT COMPARABLES

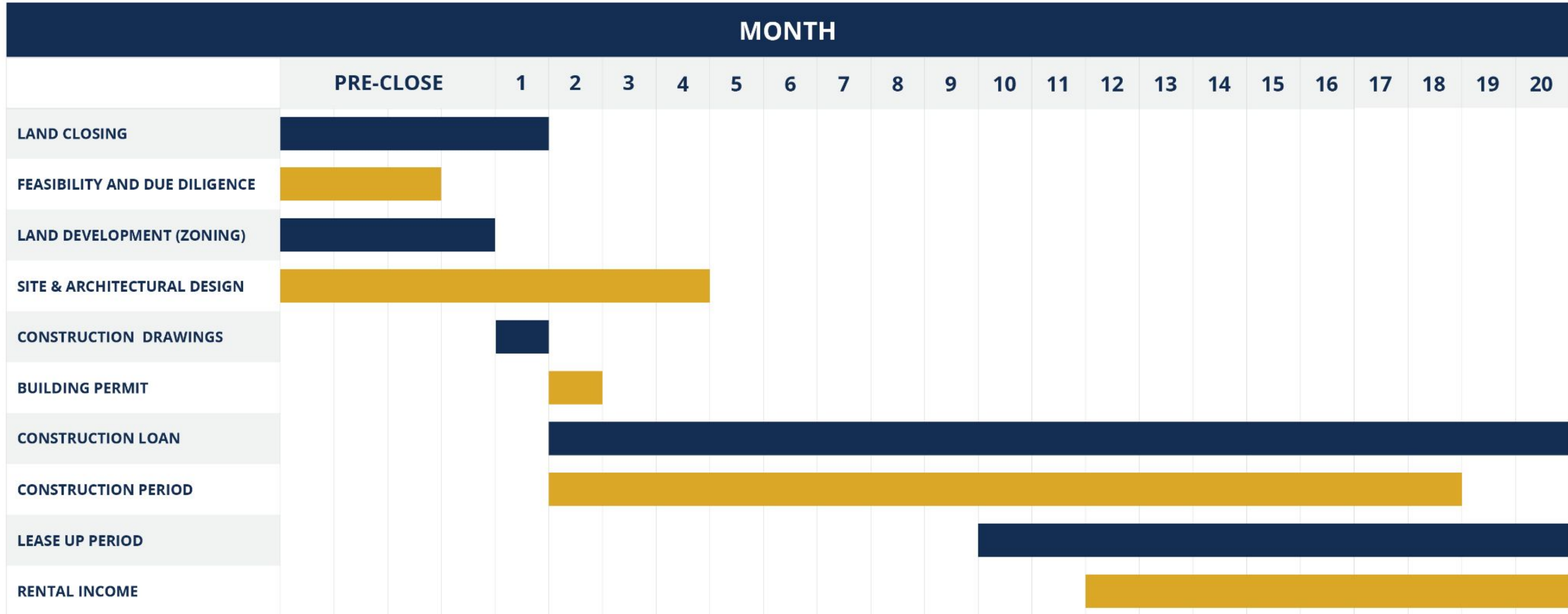
PROPERTY NAME	VINTAGE	UNITS	AVG SF	1 BED	2 BED	3 BED
The Brixx	2023	450	980	\$995-\$1,080	\$1,230-\$1,275	\$1,495-\$1,1575
Lux North	2021	216	894	\$923-\$1,762	\$1,140-\$2,138	\$1,303-\$2,533
The Boundary	2023	188	840	\$1,286-\$1,855	\$1,155-\$2,196	\$1,385-\$2,265
Thelin Center	2016	98	921	\$925-\$1,225	\$1,055-\$1,395	\$1,350-\$1,525
The MarQ*	2023	164	981	\$1,095-\$1,225	\$1,145-\$1,325	\$1,575-\$1,645

\*Not stabilized





# PROJECT TIMELINE



*\*Best estimate. Timelines subject to change.*



# OPERATING PRO FORMA

Jefferson Reserve Phase II				
Operating Annual Proforma	Year 1	Year 2	Year 3	Year 4
<b>Rental Revenue</b>				
Gross Potential Rent	\$1,031,708	\$1,504,374	\$1,549,505	\$1,595,990
Economic Vacancy	(\$103,171)	(\$150,437)	(\$123,960)	(\$127,679)
<b>Total Rental Revenue</b>	<b>\$928,537</b>	<b>\$1,353,936</b>	<b>\$1,425,544</b>	<b>\$1,468,311</b>
Total Other Income	\$138,687	\$202,226	\$208,292	\$214,541
<b>Total Income</b>	<b>\$1,067,224</b>	<b>\$1,556,162</b>	<b>\$1,633,837</b>	<b>\$1,682,852</b>
<b>Operating Expenses</b>				
<b>Controllable</b>				
Property Management Fees	(90,714)	(132,274)	(138,876)	(143,042)
Administration	(5,760)	(5,875)	(5,993)	(6,113)
Advertising	(14,400)	(14,688)	(14,982)	(15,281)
Contract Services	(26,880)	(27,418)	(27,966)	(28,525)
Repairs and Maintenance	(26,880)	(27,418)	(27,966)	(28,525)
Turnover	(11,520)	(11,750)	(11,985)	(12,225)
Payroll	(9,600)	(9,792)	(9,988)	(10,188)
<b>Total Controllable Expenses</b>	<b>(\$185,754)</b>	<b>(\$229,215)</b>	<b>(\$237,756)</b>	<b>(\$243,900)</b>
<b>Non-Controllable</b>				
Insurance	(31,200)	(31,824)	(32,460)	(33,110)
Utilities	(67,200)	(68,544)	(69,915)	(71,313)
Real Estate Taxes	(28,000)	(89,750)	(109,280)	(109,280)
<b>Total Non-Controllable Expenses</b>	<b>(\$126,400)</b>	<b>(\$190,118)</b>	<b>(\$211,655)</b>	<b>(\$213,703)</b>
<b>Total Expenses</b>	<b>(\$312,154)</b>	<b>(\$419,333)</b>	<b>(\$449,411)</b>	<b>(\$457,602)</b>
<b>Net Operating Income (NOI)</b>	<b>\$755,070</b>	<b>\$1,136,829</b>	<b>\$1,184,426</b>	<b>\$1,225,249</b>





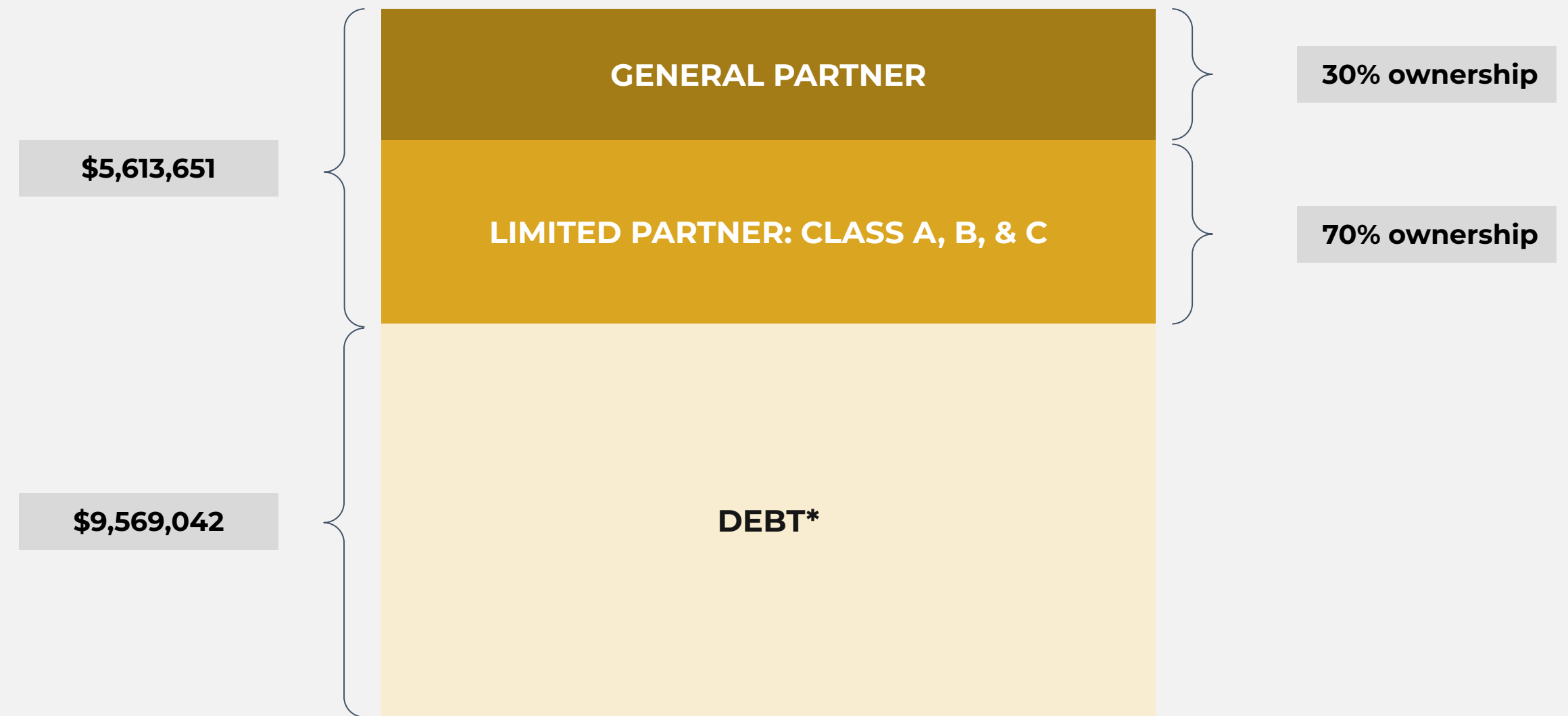
# EQUITY STRUCTURE - PHASE II

**Limited Partner (A, B, & C):** To incentivize investors with higher investments each tier has a different preferred return but the same profit split.

- **Class A: \$50K-75K investment, 5% preferred**
- **Class B: \$80K-145K investment, 6% preferred**
- **Class C: \$150K+ investment, 7% preferred**

We have limited space in each class of shares so we will accept investors on a first-come, first-serve basis.

All tiers are for investors who want to maximize their returns over the life of the investment as they will participate in the upside upon disposition.



## CLASS A, B, & C PARTNERSHIP STRUCTURE

Investor Distribution of Cash Flow	See description on the left
Membership Ownership	70/30 up to 15% LP IRR 60/40 above 15% LP IRR

*\*Subject to change prior to closing*





# EQUITY STRUCTURE - PHASE II

	Preferred Return	IRR	Equity Multiple	AAR
<b>Class A</b> \$50K - \$75K Investment	5%	19.6%	1.90x	24.1%
<b>Class B</b> \$80K - \$145K Investment	6%	19.8%	1.92x	24.4%
<b>Class C</b> \$150K + Investment	7%	20.0%	1.93x	24.7%





# OPPORTUNITY ZONE FUND (QOF) BENEFITS FOR INVESTORS:

## 1. TAX DEFERRAL ON CAPITAL GAINS:

Investors who sell assets can reinvest the capital gains into a QOF, allowing them to **defer paying taxes on the original capital gains\***

## 2. POTENTIAL FOR TAX-FREE GROWTH:

If the investor holds their QOF investment for **at least 10 years**, any appreciation beyond the original deferred gain becomes **completely tax-free**. This means that after the initial tax is paid on the deferred gain (either in 2026 or earlier if the investment is sold), the investor will owe no taxes on any increase in the QOF investment value.

## 3. NO NEED FOR LIKE-KIND EXCHANGE:

Unlike a 1031 Exchange, where the reinvestment must be in the same type of asset, QOF investments do not have this restriction. Investors can reinvest proceeds from a wide range of capital gains (business, stocks, real estate) into the QOF without needing to match asset types.

## 4. SHORT-TERM GAINS ADVANTAGE:

**Deferring short-term capital gains** (gains from assets held for less than a year) can be particularly beneficial since short-term gains are taxed at higher rates than long-term gains. By deferring these gains into a QOF, investors can delay the immediate tax hit and potentially convert a higher-taxed short-term gain into a tax-free appreciation (if held for 10 years).

## 5. ELIGIBLE GAINS:

Capital gains eligible for deferral can come from a variety of sources, including business sales, stocks, real estate, and certain business property gains. These gains must be reinvested into a QOF **within 180 days** of the sale.

## 6. EQUITY, NOT DEBT:

To qualify for the QOF benefits, the investment must be an **equity interest** in the fund, not a debt instrument. This ensures investors are genuinely contributing capital to the development or project in the opportunity zone.

## WHY IT IS BENEFICIAL FOR INVESTORS TO DELAY PAYING TAXES UNTIL DEC 31, 2026

**Time Value of Money:** By deferring the tax payment, the investor retains more money to invest, potentially increasing the total returns. Essentially, they're using money that would have gone to taxes to generate more wealth.

**Possibility of Harvesting Losses:** By the time 2026 arrives, the investor could strategically offset the tax liability by harvesting losses from other investments, reducing the amount of tax owed.

**Inflation & Tax Planning:** Over time, the real value of the taxes paid will decrease due to inflation. The investor could also plan their tax situation more effectively as 2026 approaches, finding ways to minimize the impact.

Most importantly, after paying taxes on the original deferred gain by 2026, **any further appreciation (if the QOF is held for 10 years) becomes completely tax-free**, which is a major advantage for long-term investors.

*\*until the earlier of two events:*

**December 31, 2026:** At this point, regardless of whether the QOF investment is sold or held, the investor must pay taxes on the original deferred gain. The benefit here is that they've had time to reinvest and grow their money before taxes are due.

**Sale of QOF Investment:** If an investor sells or exchanges the QOF investment before December 31, 2026, the deferred tax becomes due at the time of sale.





# POTENTIAL TAX BENEFITS FOR INVESTMENT IN JEFFERSON RESERVE PHASE 2

FOR EVERY \$100K IN INVESTMENT	UNITS	EQUITY/COST	TAX CREDIT/DEP %	TOTAL CREDITS/DEP.	TOTAL TO \$100K INVESTOR
Tax credits (estimate)	96	\$4,888,664	\$2,500	\$240,000	\$3,437
Depreciation* % (estimate)	96	\$13,100,000	8.6%	\$1,126,000	\$16,132
<b>Total Benefits</b>				<b>\$1,366,600</b>	<b>\$19,568</b>

\*This reflects the % of bonus depreciation:  
 - Phase I for 2024: estimated that 23% of the building cost will qualify for 60% bonus depreciation  
 - Phase II for 2025: estimated that 23% of the building cost will qualify for 40% bonus depreciation



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# Organizational Structure, Investment Process & Portfolio





# MEET THE TEAM



## Omar Khan, CFA

Founder & Managing Partner

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Omar has advised on **\$3.7 billion** in capital financing and M&A transactions, as well as securing **\$130 million+** equity from private and institutional capital. He is a graduate from the Rotman School of Business (University of Toronto), and a CFA charter holder with **10+ years** of investing experience across real estate and commodities. As the principal of Boardwalk Wealth, Omar is primarily responsible for developing strong relationships with private and institutional investors, brokers, and strategic partners. He has closed on over **\$720 million** of assets across TX, GA, FL, and SD.





# MEET THE TEAM



## Dusten Hendrickson

Founder, Mailbox Money RE

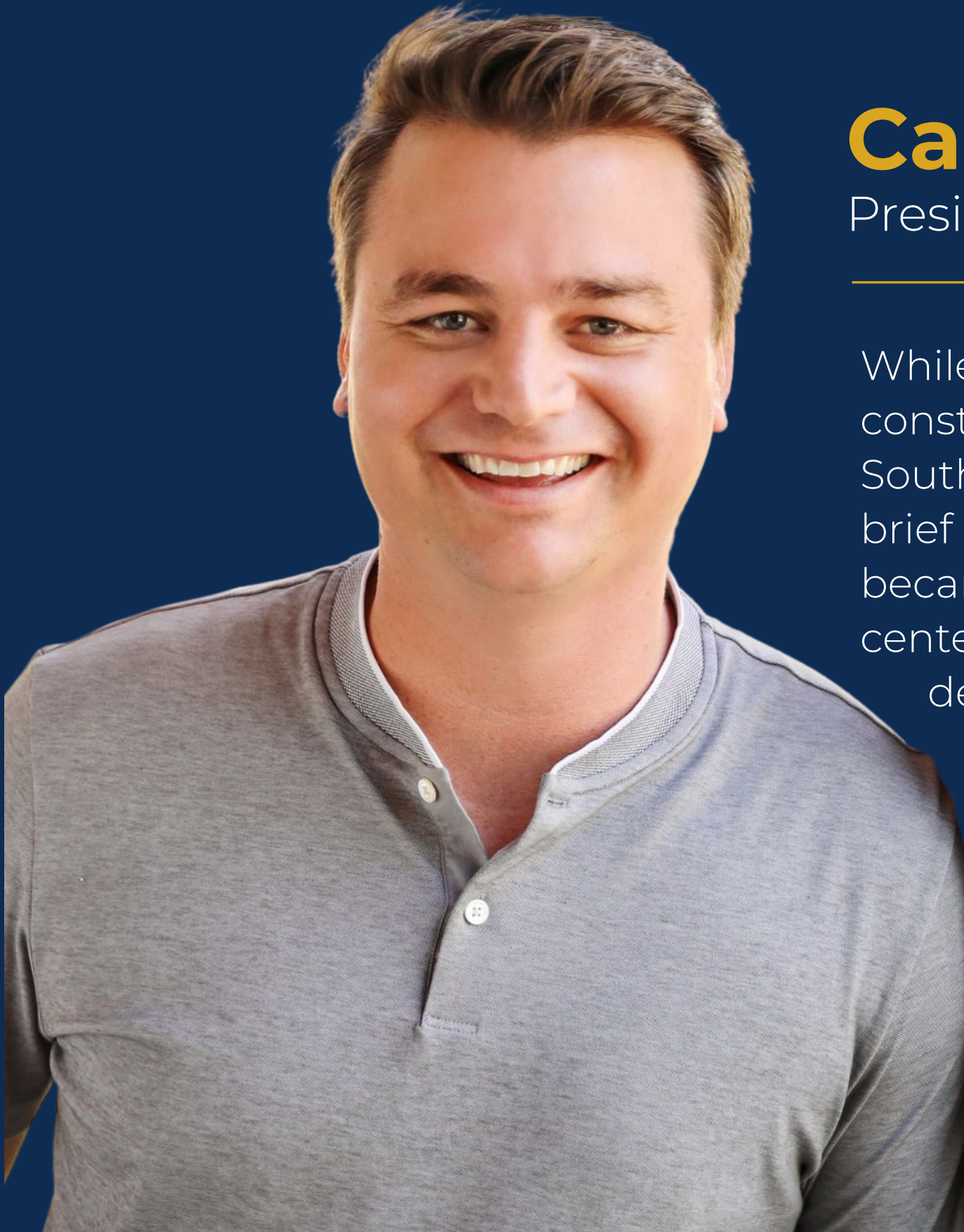
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Dusten is a real estate developer, syndicator, and investor. He has been involved in real estate his whole career: from owning a roofing company, to building homes, duplexes, and apartments. He owns and asset manages 300+ units. In addition, he has worked with historical societies and local councils to develop in revitalized neighborhoods, and has collaborated with the South Dakota State University Dept of Architecture to build the first certified Passive House in the state. As the principal of Mailbox Money, Dusten helps others earn passive income from multifamily investments.





# MEET THE TEAM



## Caleb Veldhouse

President, Veldhouse Construction

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While growing up in Sioux Falls, South Dakota, Caleb worked in almost every facet of the construction industry. After obtaining his MBA and Juris Doctor degrees from the University of South Dakota, he spent time as a law clerk for the South Dakota Supreme Court and held a brief stint in private practice before he went to work full time for the family business. He became President of Veldhouse Construction, Inc. in 2015, and has managed commercial retail center projects, multi-family senior living facilities, bare ground commercial and residential developments, custom commercial buildings, multi-family double podium + frame construction, and everything in between. Caleb's experience and educational background allow him to swiftly maneuver complex issues with land owners, local governments, tenants, and subcontractors. Caleb specializes in the planning, bare ground development, and management of large commercial projects. As the Principal of Veldhouse Companies, Caleb facilitates and spearheads a development project from site selection to stabilization. Over the last decade, Veldhouse Companies has successfully developed and constructed 70+ acres and \$250+ million of multi-family, commercial, and single-family development projects.





# INVESTMENT PROCESS

## 1 DUE DILIGENCE

- Feasibility and pro forma
- Acquisition budget
- Programming and timeline
- Review with construction manager
- Financing options
- Replacement cost determination
- Supply pipeline
- Market data and third-party reports

## 2 FINANCIAL UNDERWRITING

- Comprehensive financial model
- Investment structure and return profile
- Line item review of performance and reno budget
- Multiple variable sensitivity analysis
- Exit strategy options

## 3 ACQUISITION

- Contract negotiation
- Financing strategy
- Organizational and legal
- Management company
- Earnest money

## 4 DEVELOPMENT/ RENOVATION PERIOD

- Oversight of design, construction and procurement
- Value engineering
- Construction accounting
- Lender and investor reporting

## 5 OPERATIONS MANAGEMENT

- Targeted leasing strategy for demand drivers
- Provide unique and rewarding experiences
- Apply expertise in revenue and operations
- Proven NOI flow-through results

## 6 ASSET MANAGEMENT

- Review of management reports and financials
- Investor reporting and distributions
- Receipt and review of cash analysis
- Strategy sessions regarding performance and exit

## 7 DISPOSITION

- Proactive, collaborative process
- Evaluate multiple exit strategies
- Optimize returns

## INVESTMENT OBJECTIVE

- Invest in acquisition of mismanaged or distressed real estate assets
- Acquisition of value-add and opportunistic properties with robust upside potential
- Reposition assets for a strong exit

## STRATEGY

- Disciplined approach
- Deep value-oriented acquisitions
- Add property level value
- Divestiture

## INVESTMENT COMMITTEE

Investment Committee memorandum

Unanimous vote requirement

Focus on the downside/exit





# ASSET MANAGEMENT

Rigorous execution of each asset-specific business plan is the focus of Boardwalk Wealth at a corporate level. Primarily, this involves daily monitoring of occupancy and traffic trends, constant deep data analysis identifying patterns and guiding course-correction, full oversight of capex projects, robust reporting to our investors, and cost-segregation analysis.

Through this granular asset management strategy, Boardwalk Wealth provides a thoughtful and transparent investor experience that stimulates value creation and rapid de-risking of investments at the asset level and within the capital structure.

Asset management is targeted and hands-on. Regular initiatives include a comprehensive renovation package tailored to our resident demographic, reserved parking and carports, fenced-in patio yards, the addition of washer-dryer units, new cash flow-producing telecom contracts, and more.

We leverage our extensive network of vendors to achieve scale pricing on goods and services that create value at the asset level. Measures include property tax protesting, portfolio-shared contracts of landscaping and security, green initiatives, and the addition of valet trash to enhance the resident experience.

**CAPITAL  
EXPENDITURE  
TRACKING**

**REVENUE  
MANAGEMENT**

**COST  
SEGREGATION  
ANALYSIS**

**ROBUST LP  
FINANCIAL  
REPORTING  
CAPABILITIES**



**AGGRESSIVE  
PROPERTY TAX  
PROTESTING**

**DEBT  
MANAGEMENT  
& REPORTING**

**EXPENSE  
MANAGEMENT  
& REDUCTION**

**OCCUPANCY  
& TREND  
MONITORING**





# LEAD DESIGNER AND DEVELOPER

Mailbox Money vertically integrates development, construction, property management, and asset management to add value efficiently and effectively. Acutely aware of the monetary impact each decision makes, we unlock potential with simple and surprising solutions.

Our mission is to make great returns for ourselves, our clients, and our investors by purchasing and improving assets that people want to live in. We add value through low-cost, high-impact design improvements based on the asset at hand.

## MAJOR ROLES IN THE ROLLING GREEN PROJECT

- ✓ Lead visionaries on the project; will liaison with/on civil engineering, land development, general contractors, and architect
- ✓ Develop the amenity plan in conjunction with the property manager to execute the business plan pre and post-construction
- ✓ Design, branding, material selection, and staging





# GENERAL CONTRACTOR AND DEVELOPER



Veldhouse Companies is a family-owned real estate firm with over 30 years of real estate development and general contracting experience in the greater Sioux Falls area. We spearhead a development project from site selection to stabilization:

- ✓ We work alongside the landowner and local government authority to ensure the project's viability for the real estate at issue.
- ✓ We coordinate construction planning and design with the architect and engineering team during the pre-construction phase.
- ✓ We manage, coordinate, and facilitate the construction with subcontractors and vendors during construction.
- ✓ And finally, we seamlessly hand off the project to the final operator for the project, or operate the property ourselves.

Over the last 5 years, Veldhouse Companies has successfully developed and constructed 40 acres and \$70 million of multi-family, commercial, and single-family development projects





# PROPERTY MANAGER

Headquartered in Sioux Falls, South Dakota, Real Property Management Express manages a portfolio of over 3,000 residential units across South Dakota & Iowa, and specializes in A-class multifamily properties from pre-construction through disposition.

Founded and operated by real estate investors, Real Property Management Express understands the importance of excellent property management, continual innovation, and consistent efficiency improvement. We treat the properties we manage the way we would want our investments handled, and we aim to embrace every demonstrable competitive edge.

Our simple pricing facilitates auditing and predictability. Our detailed reporting gives at-a-glance summaries and in-depth visibility. Our property health report dashboards enable us to spot and fix problems before they affect your bottom line.

You deserve the best property management the industry has to offer, and we intend to provide it to you.

**3,000+**

Units Actively  
Managed

**\$500M**

Assets Under  
Management

**10**

# of Markets  
Served





# CURRENT HOLDINGS

Name	State	Acquired/Developed	Units	Purchase Price/Development Cost	Target IRR	Strategy
Watson Clinic	SD	Dec 2013	5	\$1.0M	25.0%-28.0%	Development
Career Crossing	SD	Apr 2015	6 units 10,000sf	\$2.0M	18.0%	Development
Lofts at Main	SD	Sep 2015	30	\$2.5M	20.0%-22.0%	Development
Washington Crossing	SD	Mar 2017	92	\$11.0M	28.0%	Development
Volga 10-Plex	SD	Jun 2017	10	\$1.2M	38.0%-42.0%	Development
Ben Franklin	SD	Apr 2018	20	\$2.8M	15.0%-19%	Development
Roosevelt Marketplace	SD	May 2018	7 units, 25,000 sf	\$4.5M	26.0%	Development
Maple Park	SD	Sep 2020	77	\$6.2M	21.0%	Value-Add
The Preserve	SD	Dec 2020	72	\$6.0M	19.0%	Value-Add
Eagle Creek	SD	May 2021	143	\$6.5M	15.0%	Value-Add
Lofts at Eden	FL	Jul 2021	175	\$35.1M	16.7%-17.7%	Core Plus
Blu on Lorraine	SD	Oct 2021	128	\$16.6M	20.0%	Development
The Reserve Flats	SD	Nov 2021	48	\$8.2M	16.0-18.0%	Development





# CURRENT HOLDINGS

Name	State	Acquired/Developed	Units	Purchase Price/Development Cost	Target IRR	Strategy
Pines of Lanier	GA	Feb 2022	157	\$17.8M	15.0%-15.3%	Value-Add
Eastwood Oaks	FL	May 2022	104	\$13.5M	15.3%-15.9%	Value-Add
Langley Place	GA	Jun 2022	116	\$15.3M	15.2%-15.5%	Value-Add
The Velthuis	SD	Sep 2022	144	\$28.8M	20.7%-21.2%	Development
Monarch Villas	GA	Nov 2022	130	\$24.4M	15.2%-15.7%	Value-Add
Briarwood Reserve	SD	May 2023/Apr 2024	154	\$25.6M	17.9%-18.3%	Development
Jefferson Reserve	SD	Sep 2023	180	\$32.1M	17.2%-17.6%	Development
Maple Rock Reserve	SD	Jan 2024	164	\$24.6M	25.6%	Development
Aspen Ridge Reserve	SD	Mar 2024	146	\$24.2M	18.3%-21.2%	Development
Foss Fields Land Fund	SD	Jun 2024	na	\$3.5M	20.6%	Land
Bluestem Reserve	SD	Jul 2024	70	\$11.6M	24.2%	Development
Waymaker Portfolio	GA, FL, AR, KS	Jul-Aug 2024	679	\$49.7M	31.9%	Value-Add
The Borough	TX	Sep 2024	210	\$18.2M	17.3%	Value-Add





# SOLD DEALS

## Sold Deals

Name	State	Vintage	Units	Purchase Price	Date Acquired	Date Sold	Sale Price	Months Held	IRR	Equity Multiple
The Henry B (Wurzbach Portfolio)	TX	1982	198	\$18.3M	Sep 2018	May 2021	TX is a non-disclosure state	32	20.2%	1.6x
The Blair at Bitters (Wurzbach Portfolio)	TX	1986	190	\$15.9M	Sep 2018	May 2021	TX is a non-disclosure state	32	20.2%	1.6x
Legacy	GA	1985	300	\$28.0M	Oct 2019	Jul 2021	\$35.1M	21	25.4%	1.5x
Lakewood Oaks	FL	1974	138	\$12.1M	Feb 2019	Oct 2021	\$17.9M	28	24.6%	1.7x
Rise on McDowell	AZ	1984	76	\$6.9M	Aug 2019	Nov 2021	\$15.6M	28	62.0%	2.9x
Reserve at Walnut Creek	TX	2002	284	\$36.3M	Dec 2018	Apr 2022	TX is a non-disclosure state	39	34.8%	2.5x
Equinox at Knight	GA	1989	194	\$23.9M	Dec 2019	Dec 2023	\$39.5M	47	41.0%	2.9x
Brighton Farms	GA	1972	134	\$16.2M	Feb 2021	Mar 2024	\$21.3M	37	18.8%	1.4x





# CASE STUDIES

## Briarwood Reserve Phase I

Class A, Garden-Style Development

### Sioux Falls, SD

Status: Delivered

Units: 60

Dev. Start: Q2 2023

Dev. End: Q2 2024

Development: \$11.6M



- Delivered the project in ~12 months with 95% occupancy achieved within 15 months
- 5 \* 3-story, 12-plex buildings with efficiency-focused layout to maximize rentable sq. ft. and minimize expenses
- Attractive 5-year, fixed-rate debt with open prepay allowing for accretive upside to valuation for an early refi/sale
- Modern Scandinavian design, wellness-focused, efficient community nestled in the most desirable corridor in Sioux Falls - 69th Street SE.
- Mid-\$130K/unit hard cost of construction and 15-month development time → fast build out with competitive rents → undercut market/comps allowing for a quick lease-up and cash flow





# CASE STUDIES

## The Velthuis

Class A, Garden-Style  
Development

**Sioux Falls, SD**

Status: Delivered

Units: 144

Dev. Start: Q4 2022

Dev. End: Q1 2024

Development: \$28.8M



- Achieved 95%+ occupancy in ~20 months from construction start outperforming proforma and market
- Attractive land parcel in a supply-starved market sourced directly from the owners based on deep local relationships
- Attractive 3-year, fixed-rate, interest only debt sourced at 4.95% with no prepayment penalty allowing for maximum flexibility while being accretive to valuation if sponsor group decides on an earlier exit.
- Modern Scandinavian design, wellness-focused, luxury community only blocks away from upscale retail and Avera Health's second campus.
- Attractive amenity features includes climate-controlled underground parking, indoor pool and hottub, community room, outdoor kitchen, and fitness center with two story glass facing south for spa ambiance in the frigid winters.





# CASE STUDIES

## Blu on Lorraine

Class A, Cutting Edge Development

Sioux Falls, SD

Status: Delivered

Units: 128

Dev. Start: Q4 2021

Dev. End: Q3 2023

Development: \$16.6M



- Attractive land parcel in a supply-starved market sourced directly from the owners based on deep local relationships
- Attractive 5-year, fixed-rate debt sourced at 3.24% allowing for maximum flexibility while being accretive to valuation if sponsor group decides on an earlier exit
- Modern Scandinavian design, wellness-focused, luxury community nestled around beautiful Lake Lorraine
- Attractive amenity features includes climate-controlled underground parking, rooftop sauna, community room, outdoor kitchen, and fitness center overlooking the lake with the latest exercise equipment including VR training
- Projected ~\$250K+ in additional revenue upside vs. conservative underwriting owing to continued market rent increases and additional ancillary income





# CASE STUDIES

## Brighton Farms

Incredible Rent-Growth Story

Atlanta, GA

Status: Sold, Q1 2024

Units: 134

Vintage: 1972

Acquisition: Q1 2021

Acq. Price: \$16.2M

Sale Price: \$21.3M



- Strategic refinance into long-term debt resulting in ~68% of investor capital returned in 19 months via a combination of distributions and return of equity.
- \$1.4M renovation plan was completed ahead of schedule - 12 months actual vs. 24 months budgeted - and ~34% under-budget due to strong vendor relationships and aggressive management
- Sourced off-market through broker relationships which allowed us to capitalize on absentee ownership resulting in ~30%+ rent increase in less than 12 months and 13% LP cash-on-cash in Year 1
- Strategic Jan closing to save ~\$60-80K taxes in Year 1





# CASE STUDIES

## Equinox at Knight

Extremely Favorable Refinances  
& Return Of Equity

### Atlanta, GA

Status: Sold, Q4 2023

Units: 194

Vintage: 1988/1991

Acquisition: Q4 2019

Acq. Price: \$23.9M

Sale Price: \$39.5M



- Strategic sale to capitalize on capital markets volatility resulting in LP equity multiple in excess of 2.0x in ~4 years.
- Exit valuation was ~66% increase over book value: \$39.5M, ~\$203,608 per unit
- Refinanced 2x in 3 years into attractive long-term debt resulting in 64% return of initial equity and 88% total returns to investors in less than 36 months without dilution.
- Investors earning 20%+ cash-on-cash in a fast appreciating submarket with no coming online in 24 months.
- \$1.5M renovation plan was completed ahead of schedule – 18 months actual vs. 24 months budget
- Occupancy was maintained in the mid-90s with minimal bad debt during Covid due to strong management and strategic upgrades





# CASE STUDIES

## Lakewood Oaks

Fast Turn-Around & Sale With Above-Projected Returns

Jacksonville, FL

Status: Sold, Q4 2021

Units: 138

Vintage: 1974

Acquisition: Q1 2019

Acq. Price: \$12.1M

Sale Price: \$17.9M



- Strategic acquisition with significant deferred maintenance and mismanagement resulting in an LP IRR ~20% and LP equity multiple 1.5x+ within 2.5 years.
- \$1.0M renovation plan was completed ahead of schedule - 20 months actual vs. 24 months budget
- Occupancy was maintained in the high-90s with minimal bad debt during the value-add process throughout Covid
- Sale to strategic buyer resulting in the highest per unit price in the submarket





# TAX ADVANTAGES

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**Depreciation:** Depreciation is a reduction in the value of an asset with the passage of time, due to wear and tear. The IRS classifies depreciation as a paper loss which means you do not have to spend money, but still get the expense which can be used to offset taxable income.

**Section 199(a):** Starting in 2018, taxpayers are allowed a deduction tentatively equal to 20% of their qualified business income. Rental income from real estate investments is considered qualified business income for the deduction.

**Appreciation:** The IRS does not tax appreciation of a property until you sell. If you hold the property for many years or you refinance the property you get to enjoy the appreciation with minimal tax exposure.

**Cash-Out Refinances:** This strategy allows you to receive “cash-out” cash from the equity in the investment without tax consequences since the investor is taking out a new loan.

**1031 Exchanges:** This strategy allows you to sell one property and purchase another property with the funds from the sale without having to pay any taxes.

**Cost Segregation Studies:** Allows investors to separate personal property assets from real property assets for tax reporting purposes. This allows the personal property assets to be depreciated much quicker than the real property assets creating larger depreciation expenses to offset taxable income.

**Capital Gains:** Long-Term capital gains rates are taxed less than ordinary income and short-term capital gains rates which allows you to save and invest more of your profit.

**Self-Directed IRA of 401(k) Investments:** Self-Directed IRAs have all the benefits of a traditional IRA or 401(k) plan, but with self-directed IRAs you can invest in real estate or other assets instead of stocks and bonds.

**Death:** If you have real estate when you die your heirs receive a step-up in basis which means the property is revalued at your death and they do not owe any taxes on the appreciated value of a property.







**BOARDWALK WEALTH**



**MAILBOX MONEY**

## Ready to invest?

Email Omar and note the amount you will be funding as well as the Share Class you want to participate in:

**omar@boardwalkwealth.com**

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**<https://www.boardwalkwealth.com/jefferson-reserve-phase-2-cre/>**