

# Windsor Reserve

Hartford, SD

Property Proposal



The following information is an investment summary provided to prospective investors and others.

This information is not an offering to sell either a security or a solicitation to sell a security. At the request of a recipient, the Company will provide a private placement memorandum, subscription agreement, and a limited liability company operating agreement.

The Managing Member in no way guarantees the projections contained herein. Real estate values, income, expenses, and development costs are all affected by a multitude of forces outside the managing member's control.

This investment is illiquid and only those persons that are able and willing to risk their entire investment should participate. Please consult your attorney, CPA and/or professional financial advisor regarding the suitability of an investment.



# Project Summary



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## Project Summary

Property	Windsor Reserve
Market	Sioux Falls, SD
Submarket	Hartford, SD
Units	94
Total Capitalization	\$16,044,592
Targeted Equity	\$4,869,534
Targeted Holding Period	5 Years
Year 1 NOI	\$66,207
Year 5 NOI	\$1,213,705

## Return Metrics

Investment	Preferred Returns	IRR	Equity Multiple	Profit Split
Minimum \$200K	7%	21.9%	2.6x	80/20

## Anticipated Debt Financing

Principal Balance	\$11,231,214
Interest Rate	6.8%
Leverage	70%
Amortization	25 Years
Term	5 Years
I/O Period	3 Years

21.9%

LP IRR

2.13%

Spread

5.5%

Exit Cap

7.63%

Return on Cost

4,869,534

11,231,214

General Partner

Limited Partner

Debt

Ownership

20%

80%

# Why Hartford?



## Hartford Multifamily Market

96%

Occupancy

1.77%

YOY Income Growth

3,419

MSA  
Population

2.16%

1-Year  
Population  
Growth

1.8%

Wage  
Growth

\$223,400

Median Single  
Family House  
Price

2.0%

Unemployment  
Rate

\$95K

Median  
Household  
Income

### Business-Friendly Environment

- Structured permits and utility access support new development
- Zoning oversight ensures predictable entitlements
- Low hookup and permit fees make Hartford cost-effective for multifamily investment

### High Quality of Life

- Suburban lifestyle with proximity to Sioux Falls' healthcare systems, retail, and employment hubs
- Around 44% of residents hold a college degree or higher, supporting a stable, educated tenant base

### Robust Infrastructure

- Most development-ready parcels in Hartford have existing access to water, sewer, electricity, gas, and broadband
- Municipal utility services are clearly defined and actively managed, supporting new construction

### Demand for Housing & Commercial Spaces

- Strong spillover demand from Sioux Falls fuels rental activity
- Limited multifamily supply presents opportunity for new development

### Regional Economic Influence

- Hartford benefits from direct access to the Sioux Falls metro economy, located just 10 miles away
- Major nearby employers include Sanford, Avera, and logistics/finance firm.
- Over 140,000 metro jobs support strong suburban rental demand

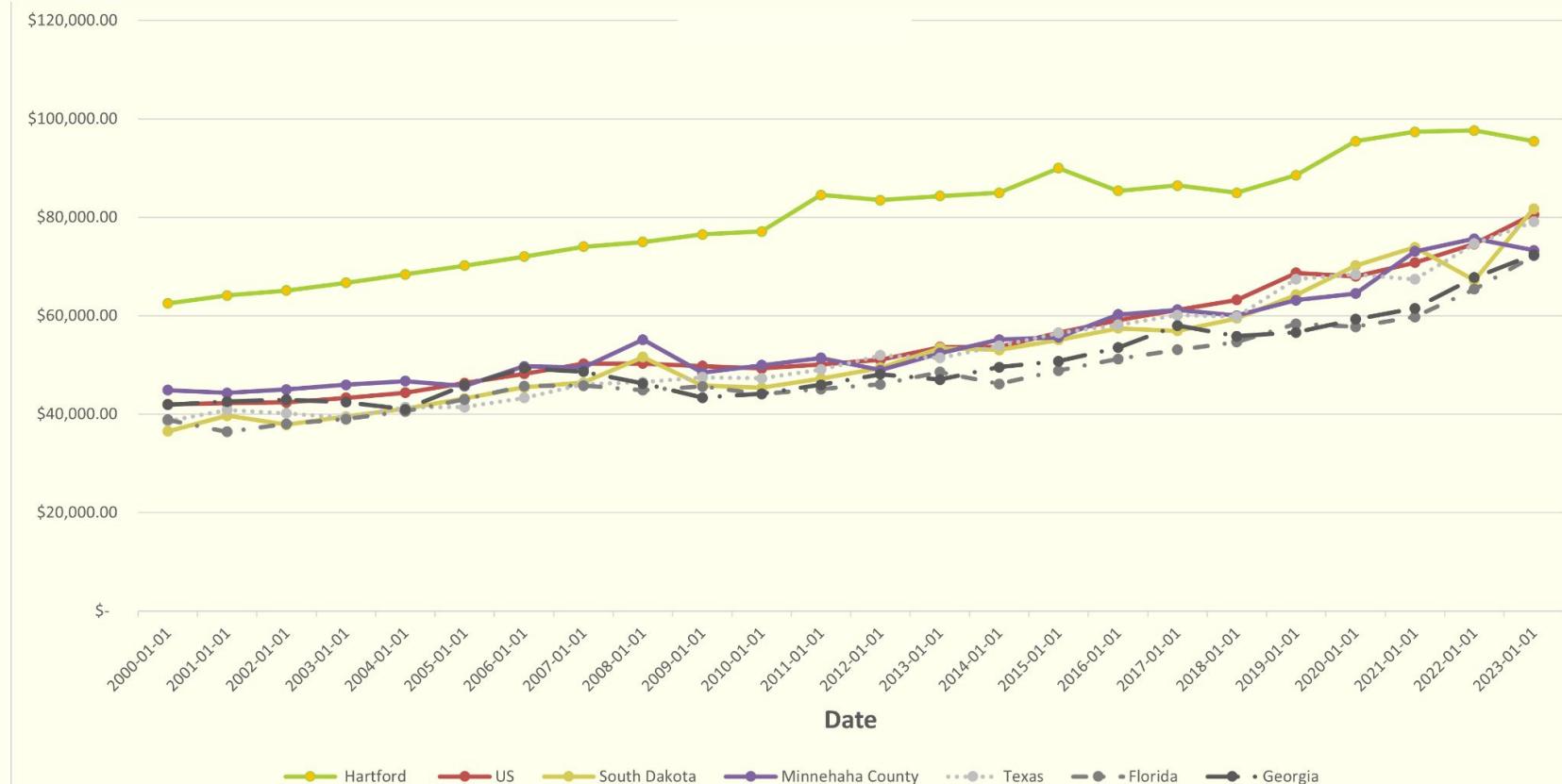
### Strong Economic Fundamentals

- Hartford's population has grown 2-5% annually
- Growth driven by local jobs and in-migration from Sioux Falls
- Nearby colleges in Sioux Falls support workforce and rental demand

# Why Hartford?



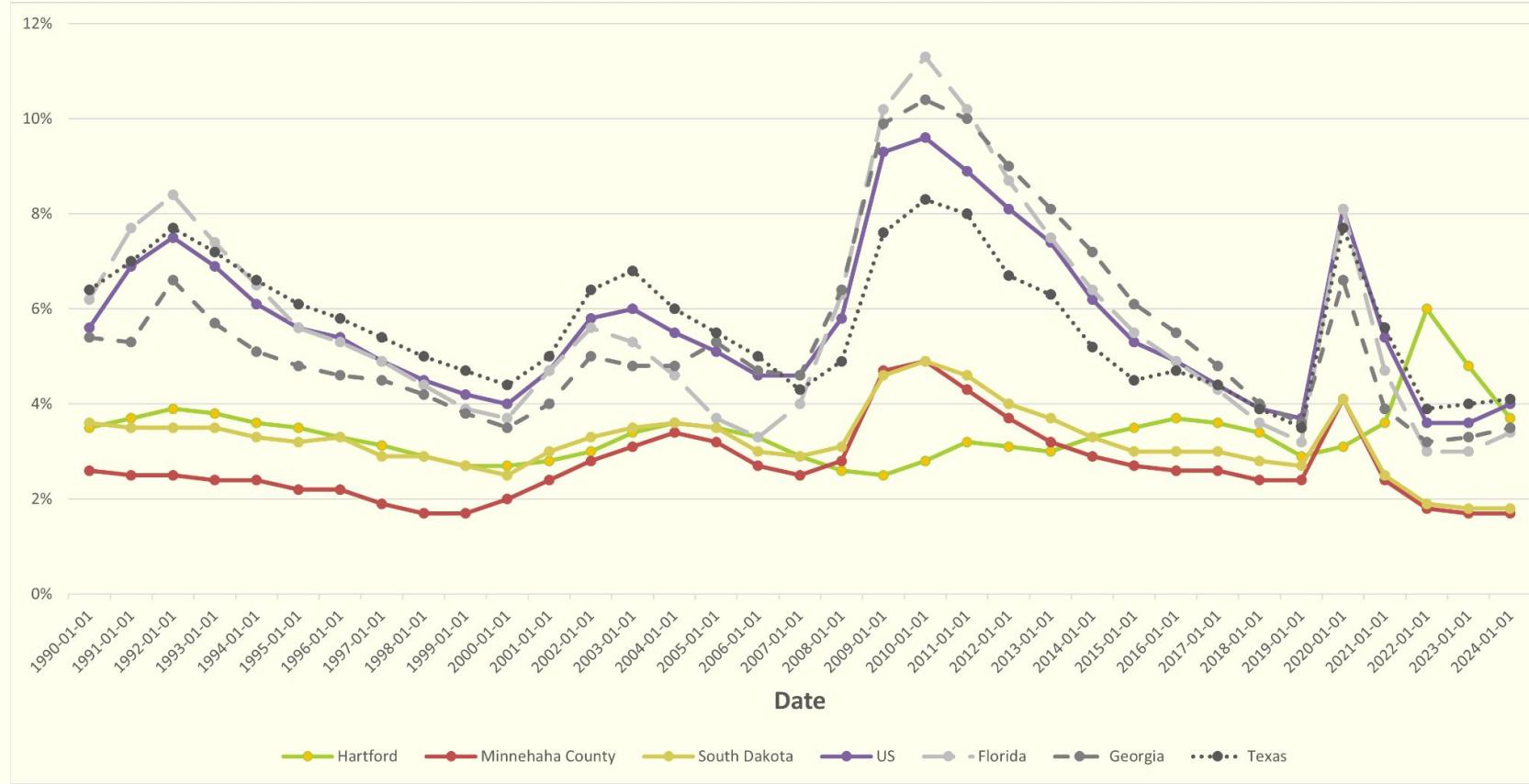
# Household Income



\*Crooks was estimated using Minnehaha County as reference from 1990 to 2015.

# Why Hartford?

# Unemployment





## Strategy

Mailbox Money is committed to solving the affordable housing crisis by developing accessible, sustainable, and wellness-designed communities that provide long-term value to residents and investors. Key elements of this strategy include:

Affordable Housing Development

Innovative Financing Models

Wellness-Integrated Design

Scalable Solutions

Tenant-Centric Approach

Timeline to Profitability:

- 9-12 Months: Deliver the first occupied building, with each additional building coming online in 1-2 month increments.
- 12-24 Months: Achieve cash flow and initiate dividend distributions.
- 24-48 Months: Complete the first refinance event.
- 48-120 Months: Execute the sale of property with opportunities to 1031 exchange into another project and defer taxes.



## Conviction

Mailbox Money operates on the belief that housing is a fundamental human right and that solving the affordable housing crisis represents both a moral imperative and a business opportunity.

### Impact-Driven Development

**Holistic Value:** Affordable housing goes beyond cost efficiency—it's about dignity, health, and opportunity. Resident Stability: Each project provides stability, safety, and pride for its residents.

### Breaking Barriers

**Innovation Meets Inclusion:** Challenge traditional real estate models by blending innovation with an unwavering commitment to inclusion.

### Sustainable Affordability

**Long-Term Stability:** Projects are designed with energy-efficient systems, durable materials, and low-maintenance features to reduce living costs for residents.

### Improved Security

**Economic Opportunity:** Safe, affordable housing fosters upward mobility and mitigates the risks of unsafe living conditions caused by affordability challenges.





## Structure

Mailbox Money's approach is anchored in a collaborative and vertically integrated model, ensuring accountability and efficiency at every stage of development.

### Dedicated Leadership

**Strategic Vision:** Dusten directs land selection, design, and partnerships with community stakeholders.

**Development Leadership:** Caleb oversees real estate development, construction operations, and legal counsel.

**Operational Expertise:** Omar ensures portfolio management through financial sustainability and operational excellence.

### Strategic Partnerships

**Collaborative Efforts:** Work with local governments, housing authorities, and nonprofits to access incentives such as tax credits, grants, and subsidies.

### Investor Alignment

**Social Impact Investors:** Attract investors who value social returns alongside financial gains to sustain affordable housing developments.

### Data-Driven Decision Making

**Tailored Solutions:** Use market research and community input to identify areas of greatest need and design solutions to meet local demand.



## The Opportunity

Hartford Reserve is a thoughtfully planned 5.0-acre development located in the growing community of Hartford, SD—a welcoming town just minutes from Sioux Falls, the largest city in South Dakota. This prime location offers residents the ideal combination of small-town charm and convenient access to the vibrant amenities, employment opportunities, and cultural attractions of the Sioux Falls metro area.

Multifamily rent growth in the Sioux Falls–Hartford area is supported by limited housing supply and consistent population growth. The area continues to attract healthcare professionals, remote workers, and families seeking affordability alongside convenient access to urban amenities. Hartford benefits from the economic and cultural expansion of nearby Sioux Falls while offering excellent schools, a reputation for safety, and a welcoming small-town atmosphere—positioning it as a strong market for long-term multifamily investment.

The development will feature a diverse and well-balanced mix of units, intentionally designed to meet strong local housing demand. The Hartford Reserve multifamily project is planned for 80 units, offering a variety of studio, 1-bedroom, 2-bedroom, and 3-bedroom floor plans to accommodate individuals, families, and professionals alike.

Each building is planned to include 14 units, with one building designed to contain 10 units. The wellness-focused, no-frills design reduces construction costs, while the phased approach enables significant operational efficiencies both during and after construction. By developing one phase at a time, we will be in a position to match leasing and development activity allowing for synergies and material cost savings. The Sponsorship group is successfully implementing this approach across nine developments in the Eastern South Dakota region.

The major benefits of this strategy:

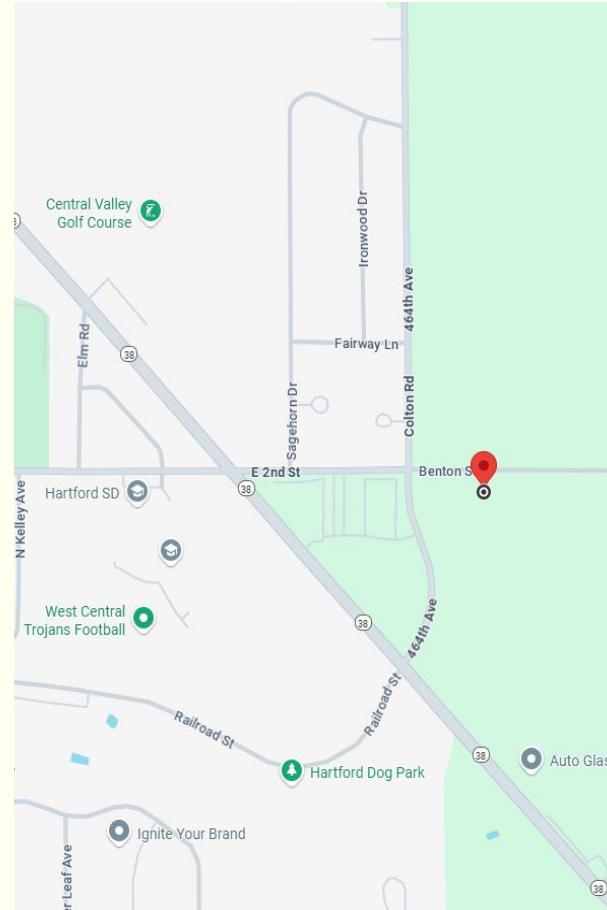
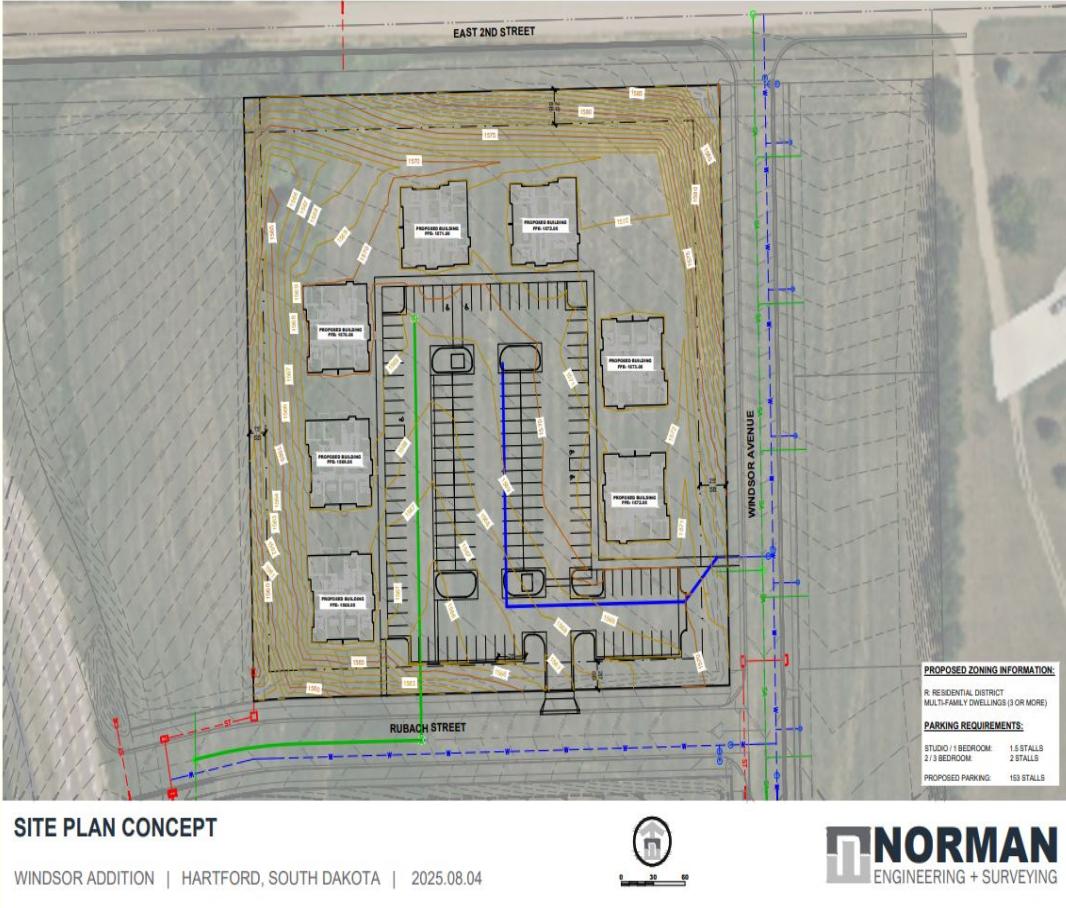
- Cash flow during construction following the build-lease-build model
- Stronger financing terms as a result of in-place cash flows
- Ability to refinance quickly upon construction completion due to seasoned income

Mailbox Money has effectively overcome the challenges heightened during these volatile times by sourcing highly desirable land despite ultra-low supply in the wellness niche of the submarket. To further reduce risk, Mailbox Money has teamed with Veldhouse Companies to take on the entire entitlement risk by completing zoning, architectural drawings, and engineering resulting in a shovel ready project for investors.



# Site Overview / Site Plans

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Site Plan Concept



# 3D Plans Floor Plans



**Studio**



**1 Bed/1 Bath**



**2 Bed/2 Bath**



**3 Bed/2 Bath**

# Unit Mix

13

Unit Type	Units	Sq. Ft.	Effective Rent
Studio	13	534	\$1,025
1 Bed / 1 Bath	53	608	\$1,190
2 Bed / 2 Bath	21	1022	\$1,275
3 Bed / 2 Bath	13	1111	\$1,475
<b>Total</b>	<b>94</b>	<b>729</b>	<b>\$1,208</b>



Property Name	Vintage	Units	Studio	1 Bed	2 Bed	3 Bed
Marion Crossing Apartments	2023	96	\$795-\$900	\$905-\$925	\$1,170-\$1,215	N/A
Jefferson Heights Apartments	2024	171	NA	\$955-\$1,100	\$1,225	N/A
Pinnacle Point Apartments	2021	194	\$895-\$910	\$1,020-\$1,155	\$1,275-\$1,315	N/A
University Hills Village	2021	136	\$875-\$925	\$955-\$1,145	\$1,345-\$1,750	N/A
Maple Pass Apartments	2023	90	NA	\$845-\$870	\$950-\$995	\$1,245
West Oak Estates	2006	32	\$850	\$999	\$899-\$1,099	\$1,349

\*N/A means this unit type is not offered





## Windsor Reserve

Annual Proforma	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Rental Revenue</b>					
Gross Potential Rent	\$120,739	\$1,430,037	\$1,501,539	\$1,576,616	\$1,655,447
Economic Vacancy	(\$85,802)	(\$90,092)	(\$94,597)	(\$99,327)	
<b>Total Rental Revenue</b>	<b>\$120,739</b>	<b>\$1,344,235</b>	<b>\$1,411,447</b>	<b>\$1,482,019</b>	<b>\$1,556,120</b>
<b>Other Income</b>					
Other Income	\$22,400	\$165,816	\$173,840	\$182,532	\$191,659
<b>Total Other Income</b>	<b>\$22,400</b>	<b>\$165,816</b>	<b>\$173,840</b>	<b>\$182,532</b>	<b>\$191,659</b>
<b>Total Income</b>	<b>\$143,139</b>	<b>\$1,510,051</b>	<b>\$1,585,287</b>	<b>\$1,664,551</b>	<b>\$1,747,779</b>
<b>Operating Expenses</b>					
<b>Controllable</b>					
Property Management Fees	(11,451)	(120,804)	(126,823)	(133,164)	(139,822)
Advertising	(2,000)	(14,594)	(15,104)	(15,633)	(16,180)
Contract Services	-	(27,241)	(28,195)	(29,181)	(30,203)
Repairs and Maintenance	(3,733)	(27,241)	(28,195)	(29,181)	(30,203)
<b>Total Controllable Expenses</b>	<b>(\$19,318)</b>	<b>(\$205,446)</b>	<b>(\$214,428)</b>	<b>(\$223,835)</b>	<b>(\$233,667)</b>
<b>Non-Controllable</b>					
Insurance	(4,333)	(31,619)	(32,726)	(33,871)	(35,057)
Utilities	(11,333)	(82,697)	(85,591)	(88,587)	(91,687)
Real Estate Taxes	(41,948)	(83,895)	(125,843)	(167,790)	(173,663)
Lender Reserves					
<b>Total Non-Controllable Expenses</b>	<b>(\$57,614)</b>	<b>(\$198,211)</b>	<b>(\$244,159)</b>	<b>(\$290,248)</b>	<b>(\$300,407)</b>
<b>Total Expenses</b>	<b>(\$76,932)</b>	<b>(\$403,657)</b>	<b>(\$458,587)</b>	<b>(\$514,083)</b>	<b>(\$534,073)</b>
<b>Net Operating Income (NOI)</b>	<b>\$66,207</b>	<b>\$1,106,394</b>	<b>\$1,126,700</b>	<b>\$1,150,468</b>	<b>\$1,213,705</b>

# Why Mailbox Money?



**\$185 MM+**  
Develop Volume Since '21

9	2.0x	+20%
Developments Completed	Equity Multiple in 5 years	IRR
1,180	\$675 MM+	+3,500
Units	Projected '26-'27	Units '26-'27

## Our Unfair Advantage

- **Smarter Layouts** – Cut wasted space to fit more units and boost income.
- **Middle-Market Focus** – Hit the sweet spot between affordable and luxury where demand is strongest.
- **Efficient Development** – Phase builds to get occupancy in the first building online in ~9 months, then add more every 1-2 months.
- **Repeatable Design** – Use scalable, proven plans to curb costs and avoid delays.
- **Desirable, Safe Communities** – Build in strong, safe suburbs near great schools, jobs, and amenities.

# Current Holdings



## Current Holdings

Name	Date	Units	Cost	Name	Date	Units	Cost
Watson Clinic	Dec 2013	5	\$1.0M	The Reserve Flats	Nov 2021	48	\$8.2M
Career Crossing	Apr 2015	6	\$2.0M	Langley Place	Jun 2022	116	\$15.3M
Lofts at Main	Sep 2015	30	\$2.5M	The Velthuis	Sep 2022	144	\$28.8M
Washington Crossing	Mar 2017	92	\$11.0M	Briarwood Reserve (Phase I)	Mar 2023	60	\$11.6M
Volga 10-Plex	Jun 2017	10	\$1.2M	Jefferson Reserve (Phase 1)	Jul 2023	84	\$15.2M
Ben Franklin	Apr 2018	20	\$2.8M	Maple Rock Reserve	Jan 2024	164	\$24.6M
Roosevelt Marketplace	May 2018	7	\$4.5M	Aspen Ridge Reserve	Mar 2024	146	\$24.1M
Maple Park	Sep 2020	77	\$6.2M	Bluestem Reserve (Phase I)	Aug 2024	70	\$11.6M
The Preserve	Dec 2020	72	\$6.0M	Briarwood Reserve (Phase II)	Jan 2025	94	\$15.0M
Eagle Creek	May 2021	143	\$6.5M	Jefferson Reserve (Phase II)	Jan 2025	96	\$15.1M
Blu on Lorraine	Oct 2021	128	\$16.6M	Foss Fields (Phase I)	July 2025	100	\$16.5M

## Sold Deals

Name	State	Units	Purchase Price	Date Acquired	Date Sold	Sale Price	Months Held	IRR	Equity Multiple
Legacy	GA	300	\$28.0M	Oct 2019	Jul 2021	\$35.1M	21	25.4%	1.5x
Lakewood Oaks	FL	138	\$12.1M	Feb 2019	Oct 2021	\$17.9M	32	24.6%	1.7x
Rise on McDowell	AZ	76	\$6.9M	Aug 2019	Nov 2021	\$15.6M	27	62.0%	2.9x
Brighton Farms	GA	134	\$16.2M	Feb 2021	Mar 2024	\$21.3M	37	18.8%	1.4x

# Meet the Team



## Dusten Hendrickson

**As Founder, Visionary, and Asset Manager, Dusten oversees:**

### Architectural Appeal

- Maximizing natural light and creating striking first impressions with floor-to-ceiling glass.
- Pairing Class A exterior design with Scandinavian-inspired interiors to deliver a clean, minimalist, and inviting aesthetic.

### Operational Efficiency

- Developing efficient unit layouts and minimized amenities without compromising quality to operate at a 25-35% expense ratio.
- Streamlining construction processes to achieve optimal cost and time efficiency.

### Personalized, High-Touch Support

- Building personal relationships with investors.
- Providing monthly video updates and information.
- Prioritizing client interests and trust.

### Conservative, High-Value Investments

- Focusing on overlooked opportunities instead of chasing "hot" markets.
- Identifying multifamily housing in strong, growing economies with manageable costs.
- Demographics prioritize education and income.



## Caleb Veldhouse

**As Developer, Construction Operations Manager, and Operations Leader, Caleb oversees:**

### Legal Expertise

- Handling land deals and ensuring comprehensive due diligence.
- Guaranteeing and negotiating construction debt.
- Keeping books up-to-date and handling cost segregation studies.

### Efficient Construction

- Applying value engineering and energy code optimizations to secure tax credits.

### Hands-On Oversight

- Working to ensure smooth project execution.
- Managing personal relationships with subcontractors and vendors to enable effective negotiations and collaboration.

### Expert Risk Management

- Focusing on growth without unnecessary risk.
- Managing risks in financing and operations.
- Protecting investor capital and ensuring success.

# Our Focus

### Target Demographic

- Young professionals who value social media-worthy design features and wellness-oriented living environments.

### Affordability

- This is not Section 8 or government-subsidized housing, yet our projects qualify for tax credits, TIFs, and incentives that further enhance investment feasibility.

### Financials

- Construction Costs: \$130k-\$140k per unit
- Rental Rates: \$1.50-\$2 per sq ft or \$900-\$1,500 per month (aligns with profitability goals and market demand)

### Efficient Development

- A phased approach delivers the first units within nine months, ensuring quicker returns and adaptability to market feedback.
- Copy-and-paste architecture minimizes cost overruns.

# Briarwood Reserve

Class A, Garden-Style Development

Sioux Falls, SD

94 Units Occupied

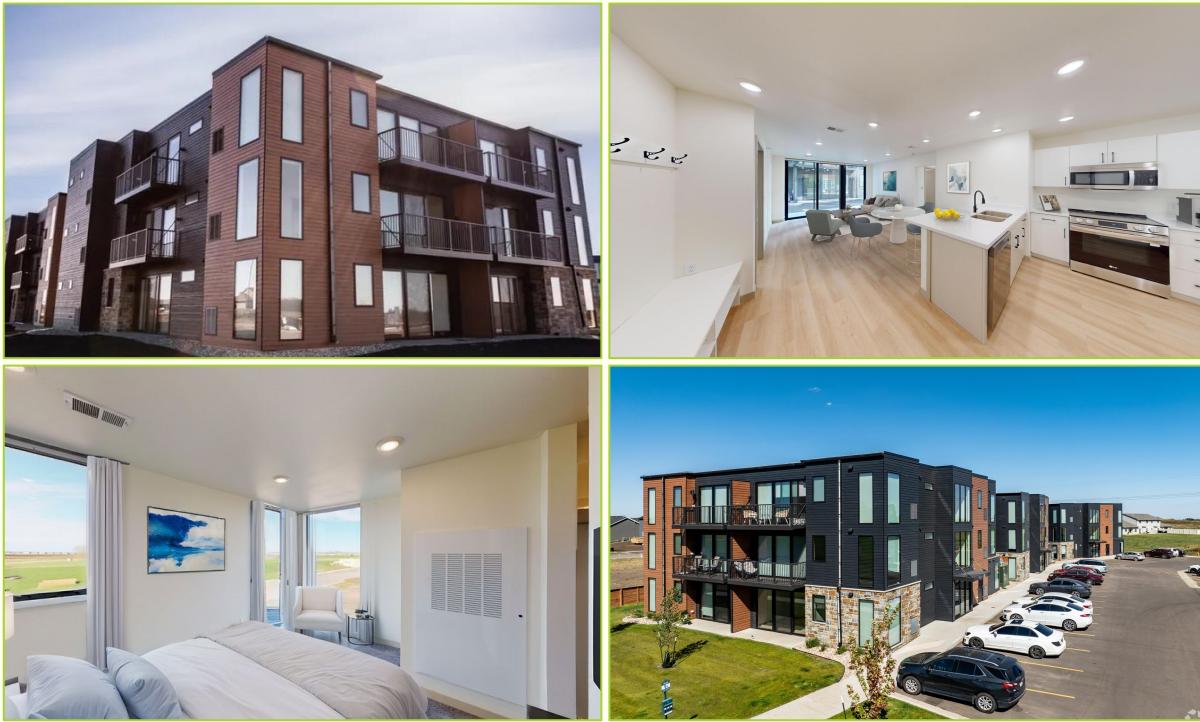
60 Units Under Construction

154 Total units

Dev. Start: Q2 2023

Dev. End: Q4 2025

Dev. Cost: \$30M



- Five 12-plex buildings, six 14-plex building, and one 10-plex building
- 5-year, fixed-rate debt with open prepay → early refi/sale.
- Modern Scandinavian design, wellness-focused, efficient community
- Mid-\$130K/unit hard cost of construction
- 15-month development time → fast build out → Quick lease-up and cash flow.



“Together, we can solve the affordable housing crisis while making an impact and achieving financial returns.”



**Dusten Hendrickson**

(605)-691-1933

[dusten@mailboxmoneyre.com](mailto:dusten@mailboxmoneyre.com)