



# Dakota Commons Reserve

Watertown, 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.

# Why Watertown?



## Watertown Multifamily Market Snapshot

530

New Construction  
Units

1.5%

Vacancy Rate

\$1.34

Average Rent per sqft

23,230

MSA  
Population

2.3%

Population  
Growth Since  
2020

1.9%

Wage  
Growth

\$243k

Median Single  
Family House  
Price

1.9%

Unemployment  
Rate

\$63k

Median  
Household  
Income

### Strong Economic Fundamentals

- Diversified economy
- Low unemployment rates
- No state income tax

### Steady Population Growth

- Consistent housing demand from young professionals, families, and retirees

### Business-Friendly Environment

- Low development costs compared to primary markets
- High-margin investment opportunities

### High Quality of Life

- Affordable cost of living
- Strong workforce retention


### Robust Infrastructure

- Supports long-term stability
- Strong job market

### Demand for Housing & Commercial Spaces

- Growing need for workforce and multifamily housing
- Recession-resilient development landscape





# Rent Comparables

| Property Name          | Vintage | Units | Studio  | 1 Bed    | 2 Bed   | 3 Bed   |
|------------------------|---------|-------|---------|----------|---------|---------|
| Dakota Commons Reserve | 2026    | 56    | \$1,025 | \$ 1,303 | \$1,426 | \$1,744 |
| One & Two Willow Creek | 2018    | 78    | NA      | \$ 1,305 | \$1,750 | NA      |
| The Oaks               | 2019    | 72    | \$820   | \$1,145  | \$1,445 | NA      |
| The Plains             | 2022    | 72    | \$1,035 | \$1,265  | \$1,545 | \$1,870 |
| Generations On 1st     | 2022    | 72    | NA      | \$985    | \$1,395 | NA      |
| Marketplace            | 2023    | 70    | NA      | \$1,595  | \$1,495 | NA      |







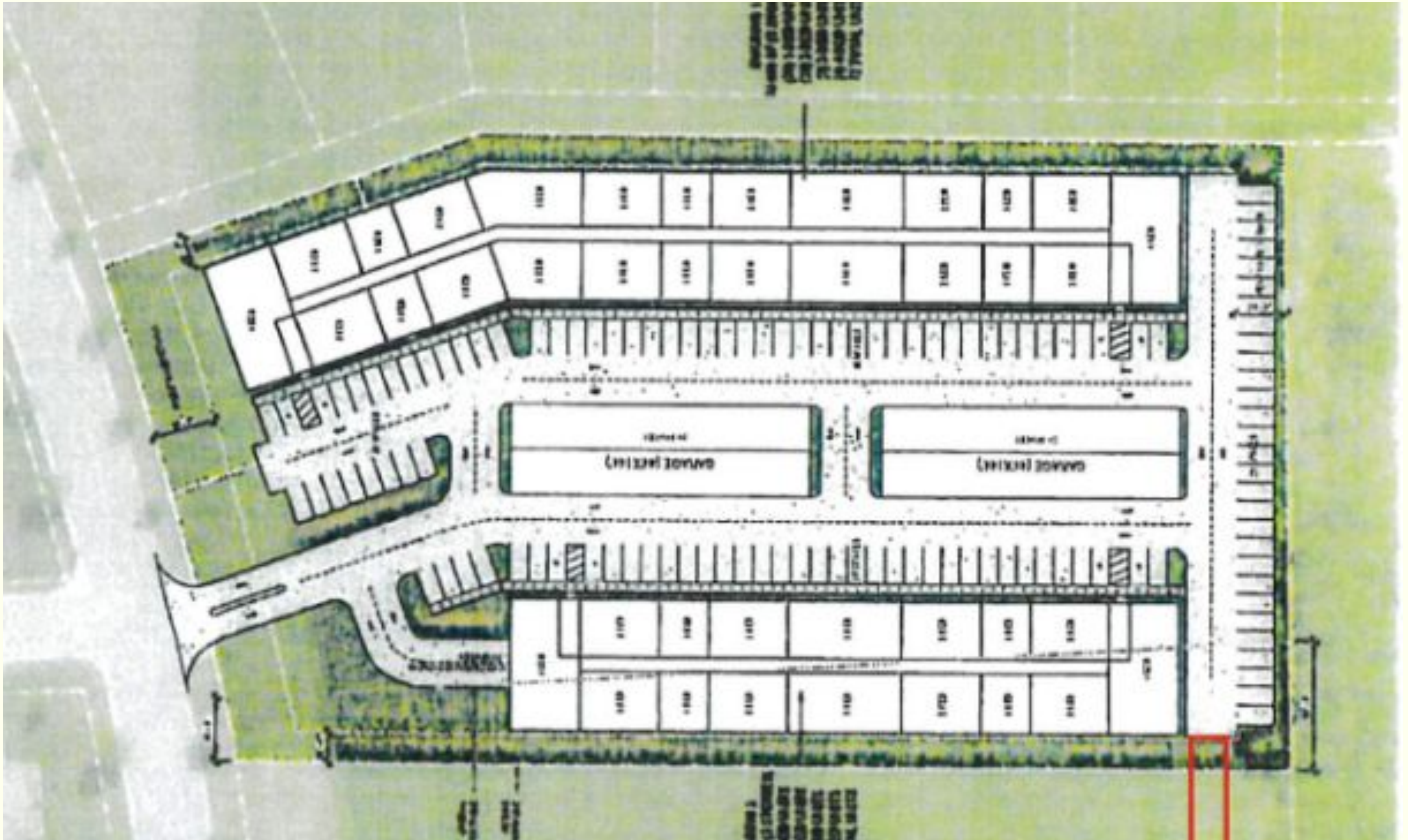
## Dakota Commons Reserve

| Annual Proforma                        | Construction | Year 1             | Year 2             | Year 3             | Year 4             | Year 5             |
|--|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Rental Revenue</b>                  |              |                    |                    |                    |                    |                    |
| Gross Potential Rent                   |              | \$323,680          | \$1,631,347        | \$1,712,915        | \$1,798,560        | \$1,888,488        |
| Economic Vacancy                       |              |                    | (\$81,567)         | (\$85,646)         | (\$89,928)         | (\$94,424)         |
| <b>Total Rental Revenue</b>            |              | <b>\$323,680</b>   | <b>\$1,549,780</b> | <b>\$1,627,269</b> | <b>\$1,708,632</b> | <b>\$1,794,064</b> |
| <b>Other Income</b>                    |              |                    |                    |                    |                    |                    |
| Other Income                           |              | \$20,160           | \$63,504           | \$66,570           | \$69,899           | \$73,394           |
| <b>Total Other Income</b>              |              | <b>\$20,160</b>    | <b>\$63,504</b>    | <b>\$66,570</b>    | <b>\$69,899</b>    | <b>\$73,394</b>    |
| <b>Total Income</b>                    |              | <b>\$343,840</b>   | <b>\$1,613,284</b> | <b>\$1,693,839</b> | <b>\$1,778,531</b> | <b>\$1,867,458</b> |
| <b>Operating Expenses</b>              |              |                    |                    |                    |                    |                    |
| <b>Controllable</b>                    |              |                    |                    |                    |                    |                    |
| Property Management Fees               |              | (20,630)           | (96,797)           | (101,630)          | (106,712)          | (112,047)          |
| Advertising                            |              | (7,350)            | (7,607)            | (7,874)            | (8,149)            | (8,434)            |
| Contract Services                      |              | -                  | (44,100)           | (45,644)           | (47,241)           | (48,894)           |
| Repairs and Maintenance                |              | (29,400)           | (49,000)           | (50,715)           | (52,490)           | (54,327)           |
| <b>Total Controllable Expenses</b>     |              | <b>(\$57,380)</b>  | <b>(\$197,504)</b> | <b>(\$205,862)</b> | <b>(\$214,592)</b> | <b>(\$223,703)</b> |
| <b>Non-Controllable</b>                |              |                    |                    |                    |                    |                    |
| Insurance                              |              | (49,000)           | (50,715)           | (52,490)           | (54,327)           | (56,229)           |
| Utilities                              |              | (88,200)           | (91,287)           | (94,482)           | (97,789)           | (101,212)          |
| Real Estate Taxes                      |              | (3,620)            | (6,250)            | (38,080)           | (56,451)           | (75,268)           |
| Lender Reserves                        |              |                    |                    |                    |                    |                    |
| <b>Total Non-Controllable Expenses</b> |              | <b>(\$140,820)</b> | <b>(\$148,252)</b> | <b>(\$185,052)</b> | <b>(\$208,567)</b> | <b>(\$232,708)</b> |
| <b>Total Expenses</b>                  |              | <b>(\$198,201)</b> | <b>(\$345,756)</b> | <b>(\$390,914)</b> | <b>(\$423,159)</b> | <b>(\$456,412)</b> |
| <b>Net Operating Income (NOI)</b>      |              | <b>\$145,639</b>   | <b>\$1,267,528</b> | <b>\$1,302,925</b> | <b>\$1,355,372</b> | <b>\$1,411,046</b> |





# Site Overview / Site Plans



Site Plan Concept





# 3D Plans Floor Plans

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Studio



1 Bed/1 Bath



2 Bed/1 Bath



3 Bed/2 Bath



# Sources and Uses

| Sources and Uses |           |                          |            |
|------------------|-----------|--------------------------|------------|
| Sources          |           | Uses                     |            |
| Senior Debt      | 9,690,560 | Land                     | 646,430    |
| Equity           | 4,153,097 | Construction             | 12,344,194 |
|                  |           | Construction Contingency | -          |
|                  |           | All Fees                 | 853,033    |
| Total Sources    |           | Total Uses               | 13,843,657 |





# Meet the Team



## Dusten Hendrickson

**As Developer and Visionary, 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 28-35% expense ratio.
- Streamlining construction processes to achieve optimal cost and time efficiency.

### 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.



## Russell Warner

**As Construction Operations Manager, Russell oversees:**

### 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.

### Local Expertise / Boots on the Ground

- Headquartered in Watertown with immediate, hands-on presence at every project site.
- Runs multiple in-house contracting crews specializing in foundation work, concrete finishing, framing, siding, and finish carpentry — eliminating third-party delays and ensuring quality control from the dirt to the doorknobs.



## Anna Rempe

**As Asset Manager and Operations Lead, Anna oversees:**

### Personalized, High-Touch Support

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

### Expert Risk Management

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

### 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.

# 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

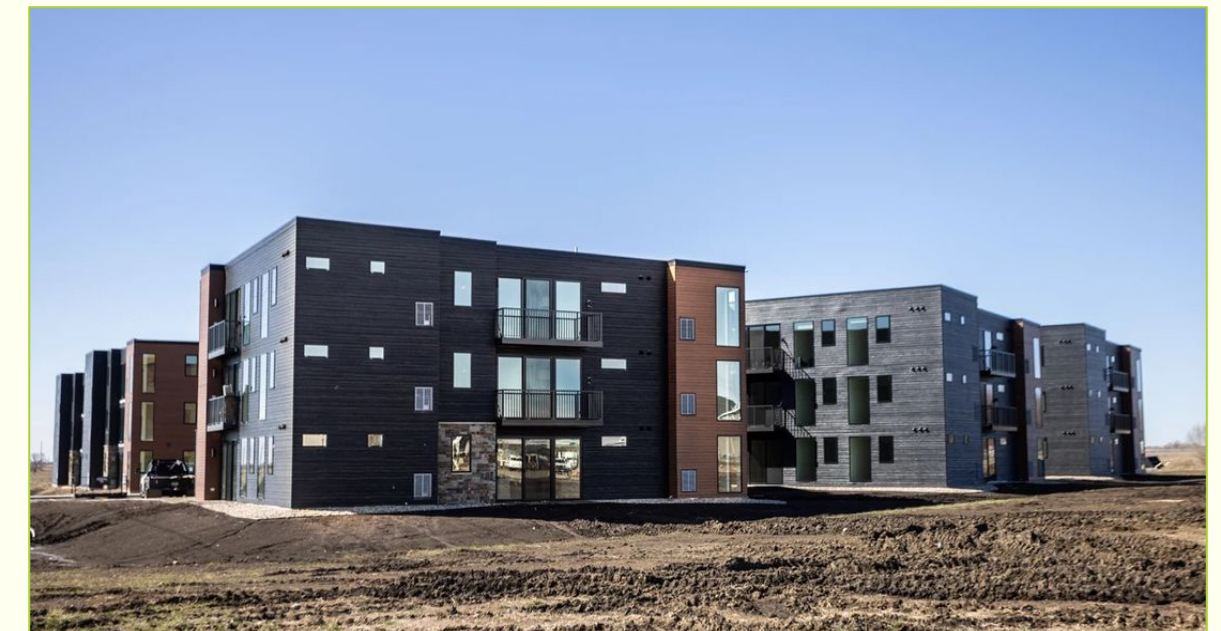
Status: 60 Units Occupied

94 Units Under Construction  
Units: 154

Dev. Start: Q2 2023

Dev. End: Q4 2025

Development: \$30M



- Five three-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





**Dusten Hendrickson**

(605)-691-1933

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