

PRESS RELEASE

May 27, 2022



Nicholas R. Sershen

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Kirk Simet

605-651-0234

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\$28,000,000 Development Project Slated for Spearfish, SD.

Val-Add Service Corporation of Sioux Falls, SD and SLH Holdings of Brookings, SD are partnering to create a \$28 million senior living community project in Spearfish, SD on the Elkhorn Ridge.

Nicholas R. Sershen, CEO of Val-Add Service Corporation, states; “One of the hottest growth-points in the United States is the Black Hills of SD and as our population ages, there is growing demand for a quality senior residential complex in the heart and hub of the Hills”.

The partnership, PP4 Senior Living, LLC, is a South Dakota limited liability company formed for the purpose of constructing, owning, and operating a multi-unit, senior residential complex called Peaceful Pines Senior Living Community – Elk Ridge located adjacent to the Elk Ridge Golf Course at the intersection of HWY 85 & I-90.

The Peaceful Pines Senior Living Community has a unique design specific to an active senior living market segment. The architectural style, open floor plans, beautiful setting, convenient features, and abundant amenities will meet the changing goals and needs of the aging baby boomer generation appealing to singles and couples.

Kirk Simet, CEO of SLH Holdings, says “Construction is scheduled to begin in the fall of 2022 and will be completed 16-18 months thereafter. The cost for development, construction, financing, and initial operation of the project will be financed through a combination of equity and debt”.

Simet continues; “We are utilizing a South Dakota Intrastate offering which provides an exceptional opportunity for South Dakota residents to invest in this exploding opportunity in the Black Hills. Our first public investor meeting will be held Friday, June 10th at 10:00 am at the Courtyard by Marriot located at the intersection of Hwy 16 & I-90 in Rapid City, SD. Any South Dakota resident interested in learning more about this investment opportunity is welcome to attend”.

For inquiries or information please contact:

Val-Add Service Corporation, Sioux Falls, SD.

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PEACEFUL PINES

Senior Living Community

Elkhorn Ridge



PARTNERS

The largest investment market will exist for developers that produce a senior apartment project at the "Affordable" price range excluding sponsored housing. Sponsored housing is excluded due to the lack of velocity of development and available tax credit allocations to keep up with growing demand for senior housing.



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SLH HOLDINGS

Kirk Simet

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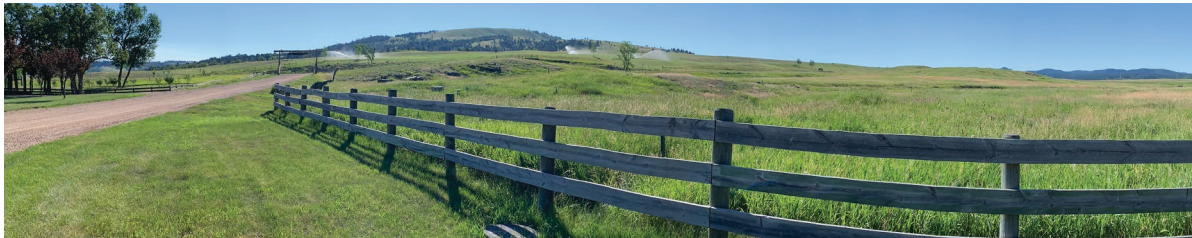
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PROJECT OVERVIEW

PP4 SENIOR LIVING, LLC is a South Dakota limited liability company formed for the purpose of constructing, owning, and operating a multi-unit senior residential complex which shall be called Peaceful Pines Senior Living Community - Elkhorn Ridge. The complex will be located adjacent to the Elk Ridge Golf Course at the intersection of HWY 85 & I-90.



Spearfish, South Dakota

Spearfish, with approximately 11,500 residences, is the commercial hub and medical center for the northern Black Hills. Since 2007, the population of Spearfish has grown by over 10.7%, and according to a national demographics firm, Lawrence County's senior population is expected to accelerate in growth over the next five years.

Proposed Project

Peaceful Pines Senior Living Community – Elkhorn Ridge is designed to be a high-quality multi-unit senior residential property with unique features and amenities. Construction is

scheduled to begin in the fall of 2022 and will be completed 16-18 months thereafter. The total cost for the development, construction, financing, and initial operation of the project is \$27,500,000.00 which will be financed through a combination of equity and debt.

Target Market Demographic

The Peaceful Pines Senior Living Community – Elkhorn Ridge has a unique design specific to an active senior living market segment. We expect the architectural style, open floor plans, beautiful setting, convenient features, and abundant amenities will appeal to senior singles and couples. While the design criteria and amenities are by no means limited to what

may naturally appeal to a more “senior demographic”, careful consideration has been given to the changing goals and needs of the aging baby boomer generation.

Designed with An "Eye to the Future"

Given the indications and projections for acceleration in the growth of an aging but quite healthy demographics, Peaceful Pines Senior Living – Elkhorn Ridge offers a variety of features and on-site amenities.

Management and Sales

Peaceful Pines Senior Living Community – Elkhorn Ridge will be managed by HME Care Services.

Project Plans

Please see Appendix C in the Investor Memorandum for the project site plans, drawings and renderings.



Building Features

- Dedicated Worship Area
- Library
- Hair Salon
- Movie Theater
- Pub
- Exercise Center Designed for Seniors
- Centrally Located Dining
- Multiple Sitting Areas
- Private Dining Room
- Covered Portico
- Walking Trails
- Cart Paths
- Picturesque Views of Mountains and Creeks
- Private Clinic Exam Room
- Enclosed Garages
- En-Suite Heating and Cooling Controls

Building Amenities

- On-Site RN, Dietician and Maintenance Staff
- Daily Scheduled Community Activities
- Daily Home-Cooked Meals Served Restaurant Style
- Weekly Laundry and Housekeeping Services
- 24-Hour Emergency Response System
- Secured Entry and Exit to Buildings and Individual Units
- Grocery and Pharmacy Delivery
- Daily Coffee and Cookies

View Exterior Rendering Video:

<https://youtu.be/9Eat5HR0nGY>

DEVELOPMENT TEAM

LEAD DEVELOPER

Kirk Simet

432 5TH STREET
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KIRK@SLHHOLDINGS.NET



Kirk Simet is the founder and CEO of SLH Holdings and HME Management. Before launching SLH and HME, Kirk had an extensive career in sales, marketing, and development. At Daktronics, he founded and managed the sports marketing division, which sold the first large screen LED video display boards in the country. Later Kirk created ICON Holdings, which developed over fifteen new developments in the senior living, multi-family, and commercial business sectors.

With over 40 years of combined development, marketing, and sales expertise, Kirk's experience led to the formation of the full-service firms: SLH Holdings and HME Management.

SLH Holdings, LLC (SLH) is an asset holding and real estate development company based out of Brookings, South Dakota. SLH primarily focuses on real estate property in the Senior Living, Multi-Family, and Residential sectors.

HME manages all property, marketing, design, construction, accounting, administrative, property management, and human relation functions for SLH Holdings' various entities.

ARCHITECT

designArc Group

434 5TH STREET STE 1
BROOKINGS, SD 57006

CONSTRUCTION

Scully Construction

803 INDUSTRIAL AVE
RAPID CITY, SD 57702

ATTORNEY

Woods Fuller

Greg Starnes

300 S. PHILLIPS AVENUE, STE 300
SIOUX FALLS, SD 57104

BANKING

Dacotah Back

Yvette Campbell

1441 6TH STREET
BROOKINGS, SD 57006

ACCOUNTING

Ketel Thorstenson LLP

Paul Thorstenson

609 MT. RUSHMORE ROAD
CUSTER, SD 57003

MANAGEMENT

HME Care Services

Jon Bohlen

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BROOKINGS, SD 57006

CAPITAL CONSULTING

Val-Add Service

Nicholas R. Sershen

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PROJECT HIGHLIGHTS



- *Close to Frawley Ranch, a National Historic Landmark*
- *Beautiful resort setting*
- *Adjacent to Elkhorn Ridge Golf Course, a Top 5 South Dakota Golf Course*
- *Walking path and golf cart community*
- *Regional airport within a 60 minute drive*
- *High quality new product designed for seniors*
- *63 Independent Living Units*
- *31 Assisted Living Units*
- *30 Memory Care Units*
- *Full amenity package and features within the building*
- *Affordable market-rate rents*
- *No tenant buy-in or entrance fees*
- *No government regulation, all private pay*
- *NOI not dependent on add-on contract services*
- *Site is fully zoned & approved, ready to build*

INVESTMENT HIGHLIGHTS

TOTAL PROJECT COST
\$27,500,000

TOTAL EQUITY INVESTMENT

\$3,200,000 – \$4,000,000

Price Per Class A Unit
\$5,000

Minimum Individual Investment Amount
\$15,000

Investment Increment
\$5,000

Preferred Return
8%

Profits in Excess of Preferred Return
80%

Projected Internal Rate of Return
18%

Initial Expected Investor Cash Returns
Year 3 of Operations

Estimated Project Timeline
7 Years

TOTAL DEBT INVESTMENT

\$3,200,000 – \$4,000,000

Minimum Individual Investment Amount
\$15,000

Investment Increment
\$5,000

Interest Rate
6.75%

Interest Paid
Semi-Annually

Repayment - Intent after 5 years of operations
10% of principle amount paid at the
beginning of each year

Principal Repaid
December 31, 2030



MARKET ASSESSMENT HIGHLIGHTS

Primary Market Area Definition

The proposed senior housing development would be located in Spearfish, South Dakota. Spearfish is a community of about 11,700 people located along I-90, at the northern edge of the Black Hills. It is the commercial hub and medical center for the northern Black Hills area in northwestern South Dakota.

Spearfish is the largest community in the PMA (Primary Market Area), which covers much of the northern Black Hills and sparsely populated rangeland north of the Black Hills. Besides Spearfish, other communities in the PMA include Belle Fourche (population 5,702), Lead (population 2,943), Deadwood (population 1,293), Whitewood (population 979), and Newell (population 597).

SENIOR HOUSEHOLD GROWTH TRENDS AND PROJECTIONS PRIMARY MARKET AREA 2000 to 2025

Age	2000	2010	2020	2025	Change, 2020 to 2025	
					No.	Pct.
55 to 64	1,611	3,024	3,289	2,960	-329	-10.0%
65 to 74	1,478	1,815	2,810	3,185	375	13.3%
75+	1,505	1,961	2,286	2,798	512	22.4%
Total 65+	2,983	3,776	5,096	5,983	887	17.4%
Total Households	12,397	14,696	16,025	16,664	639	4.0%
Spearfish	3,638	4,650	5,237	5,464	227	4.3%
Zip Code: 57783	5,279	6,452	7,184	7,546	362	5.0%
South Dakota	290,245	322,282	331,788	351,548	19,760	6.0%

Sources: ESRI; Census Bureau; Viewpoint Consulting Group, Inc.

Senior Household Demand Summary

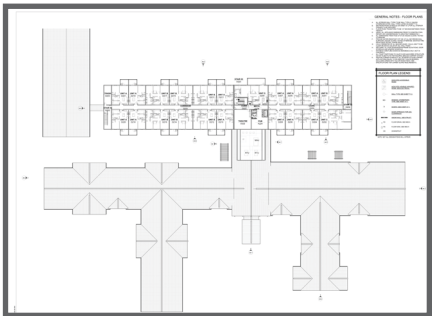
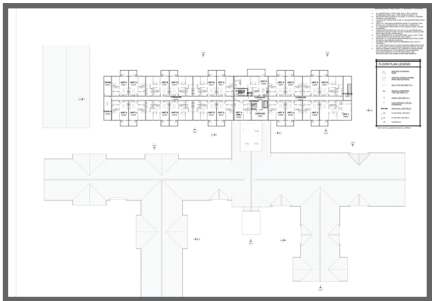
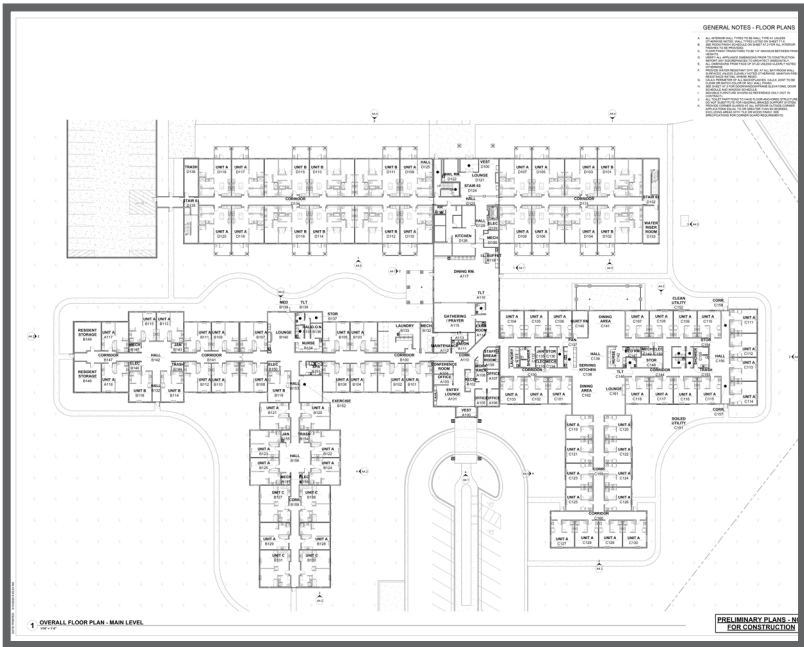
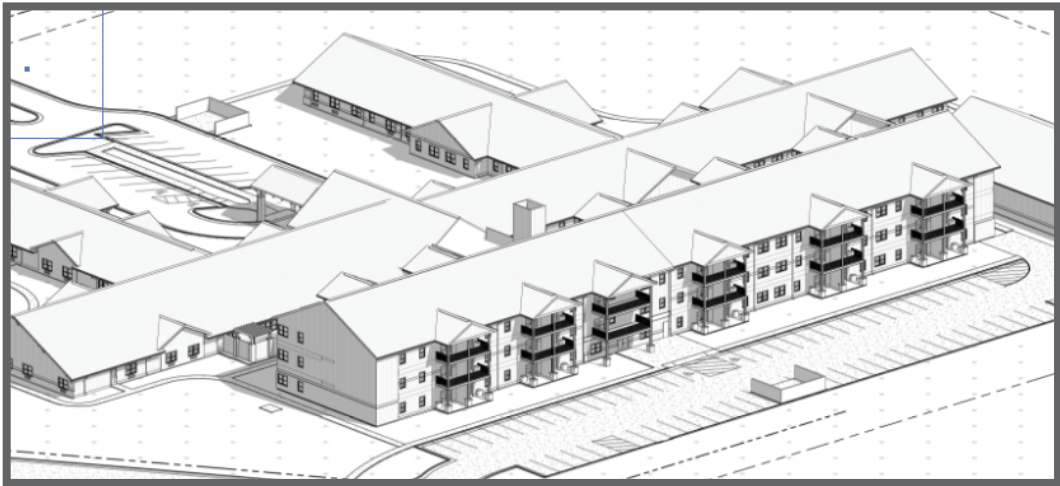
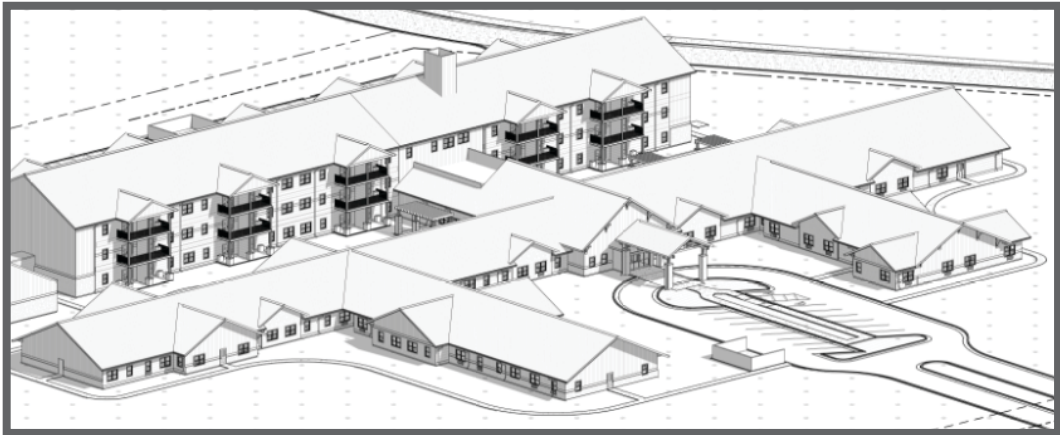
The senior population is projected to have strong growth over the next five years (the age 75+ population is projected to grow by 22.8%). This strong growth should lead to a need for additional senior housing units of various service levels. The initial demand for market rate senior housing on the site in Spearfish is summarized in **Table: Summary of Initial Market Rate Demand Calculations**.

Total unmet market rate demand in the PMA for the three levels of housing with services is projected for 326 units in 2025 – with over half of it being for independent housing. No one development or location can capture all this demand. The estimated portion of unmet demand that can be captured by the site in Spearfish is 60%. In 2025 this equates to 119 independent units, 45 assisted living units, and 32 memory care units, for a total of 196 units.



SUMMARY OF INITIAL MARKET RATE DEMAND CALCULATIONS PRIMARY MARKET AREA 2000 to 2025

	Total PMA Demand	Competitive Supply	Unmet PMA Demand	Demand at Site
2020				
Independent Living	118	24	164	99
Assisted Living	210	174	36	21
Memory Care	56	14	42	25
Total	454	212	242	145
2025				
Independent Living	222	24	199	119
Assisted Living	249	174	75	45
Memory Care	67	14	53	32
Total	538	212	326	196
Source: Viewpoint Consulting Group, Inc.				



*Images are a creative representation and are for illustrative purposes only.



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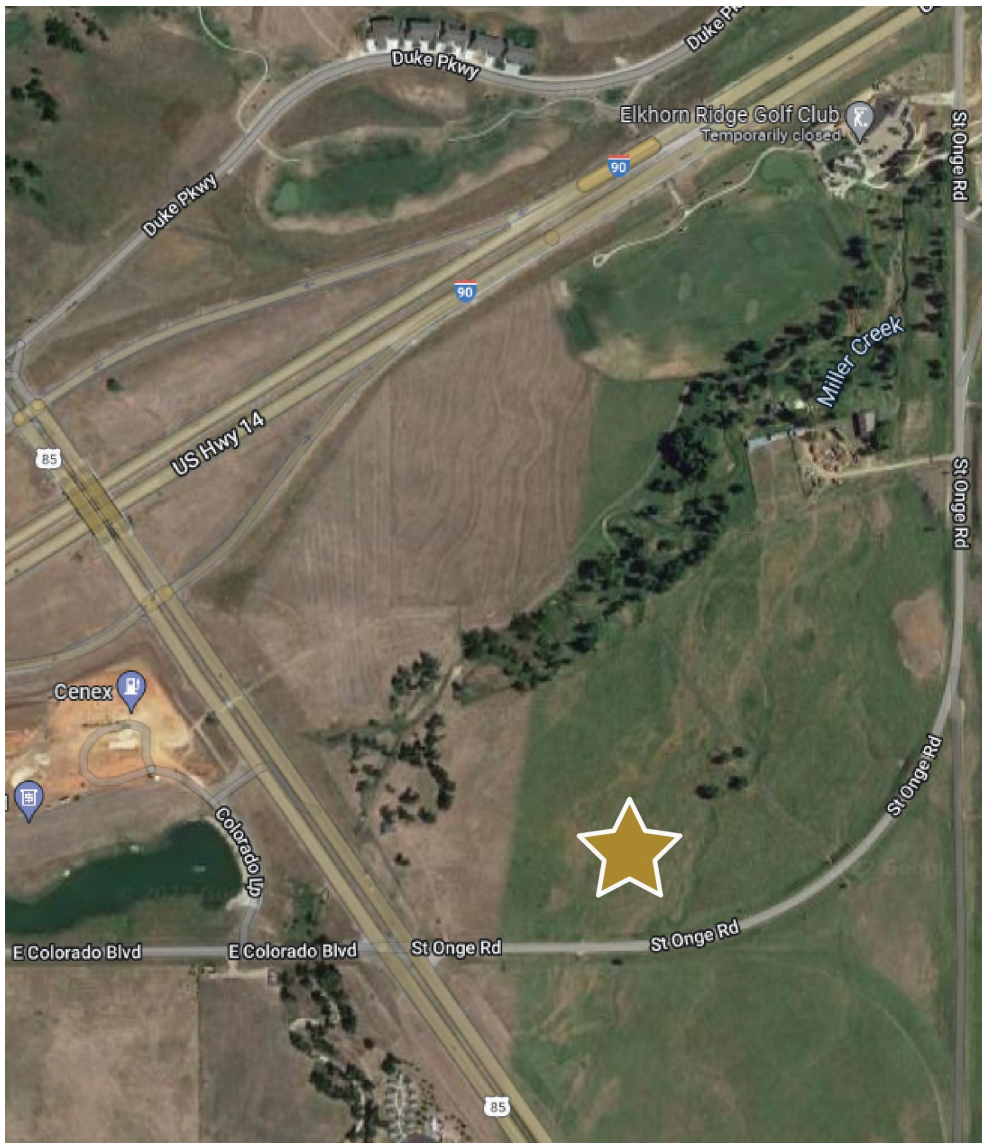


CITATIONS

HME Management, Bill Retterath. (2022). *PROSPECTUS*. Brookings, SD.

Viewpoint Consulting Group, INC., Jay Thompson. (2021). *Initial Market Assessment for Independent, Assisted Living, and Memory Care Housing in Spearfish, SD*. Greenfield, MN 55373.

designArc Group, Matthew Weiss. (2022). *Preliminary Architecture Plans*. Brookings, SD.





432 5TH STREET
BROOKINGS, SD 57006
605-655-2269



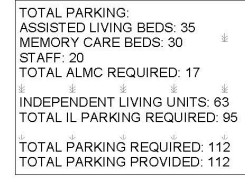


PEACEFUL PINES

Senior Living Community

Elkhorn Ridge





A. IMPORT AN ARCHITECTURAL SITE PLAN SHOWN FOR REFERENCE AND DESIGN INTENT ONLY, AND NOT TO BE USED FOR CONSTRUCTION. REFER TO CIVIL FOR ALL DIMENSIONING, SLOPING & GRADING, SPOT ELEVATIONS & ADDITIONAL REQUIREMENTS.

B. CONTRACTOR TO VERIFY ALL EXISTING SITE CONDITIONS PRIOR TO SITE PREP. REPORT ANY DISCREPANCIES TO ARCHITECT AND CIVIL ENGINEER IMMEDIATELY.

C. CONTRACTOR TO VERIFY ANY CRITICAL DIMENSIONS WITH REGARDS TO EXISTING CONSTRUCTION, IF ANY.

1. FIRE APPARATUS PAD, 26' X 40', CONFIRM SIZE WITH LOCAL FIRE DEPARTMENT.
2. 300' LINEAR TRAVEL PATH FROM FIRE DEPARTMENT PAD



TAMP:

PRELIMINARY PLANS

NOT FOR
CONSTRUCTION

DATE: _____

NO.	DESCRIPTION:
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ARCHITECTURAL SITE PLAN

PROJECT NO.
DA20_039

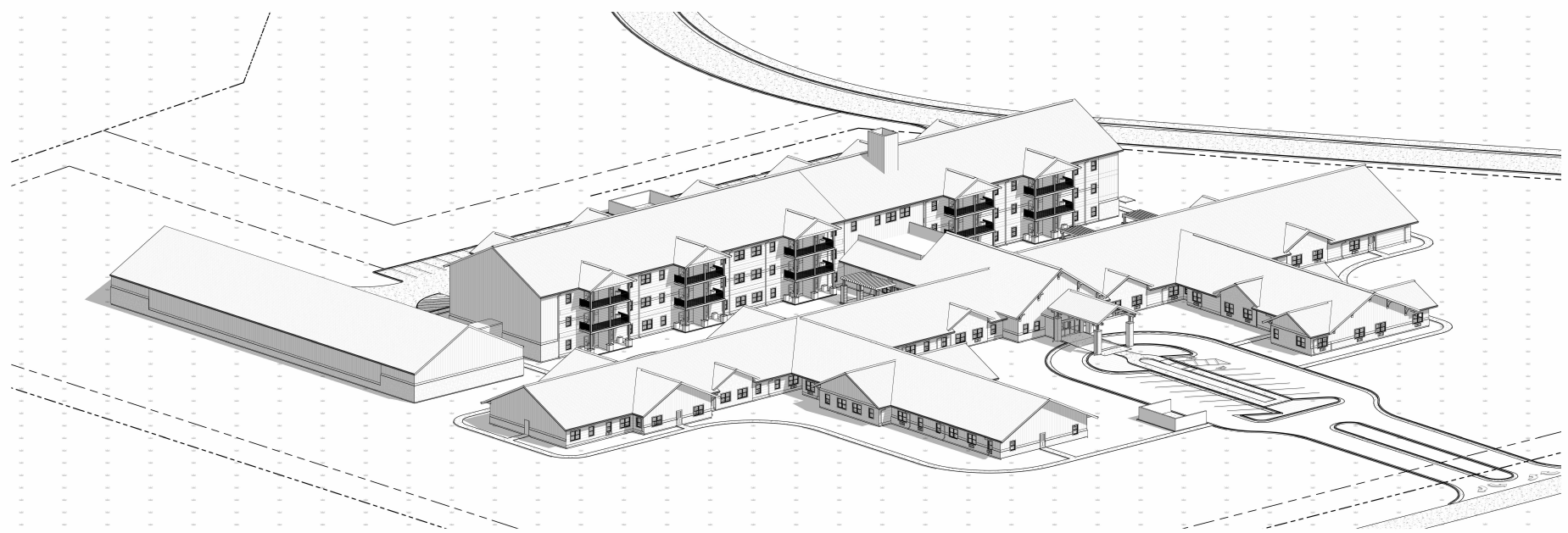
PEACEFUL PINES 4

PEARFISH, SOUTH DAKOTA
PROJECT MANAGER:
MATTHEW WEISS

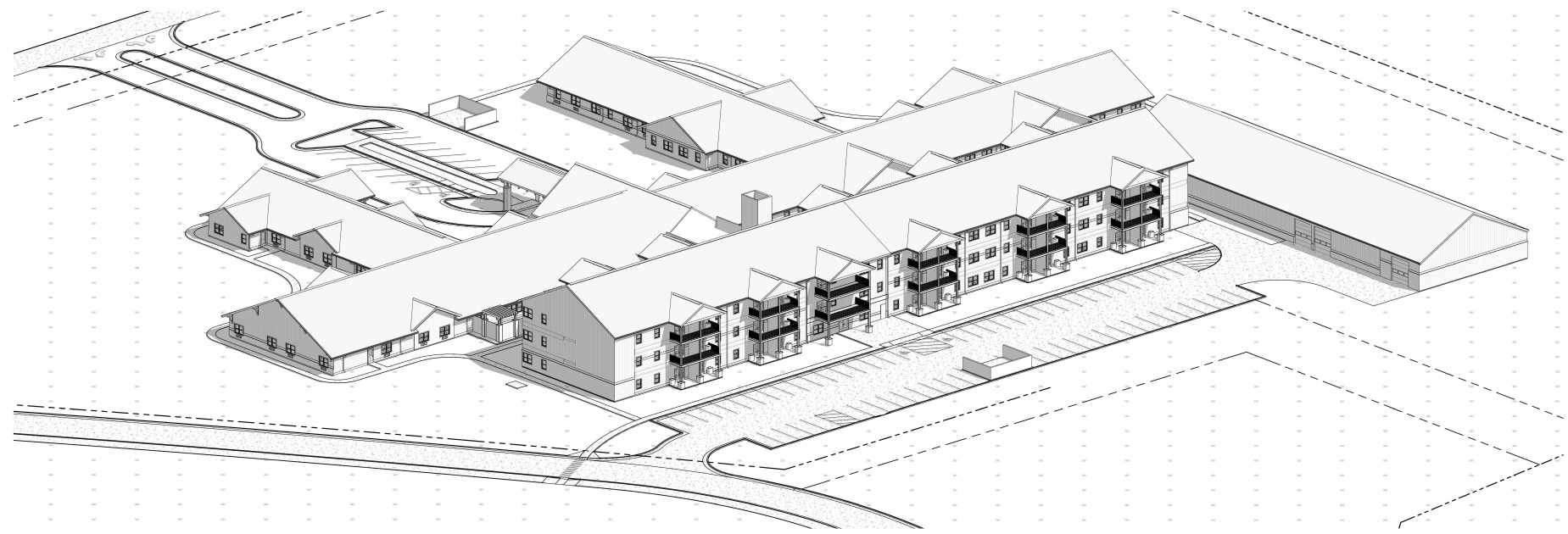
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1 3D - SW CORNER



2 3D - NE CORNER



Architecture | Planning | Interiors

434 5th St., Ste. 1

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2301 W. Russell St., Ste. 1

Sioux Falls, SD 57104 | P: 605.692.4008

STAMP:

PRELIMINARY PLANS

NOT FOR CONSTRUCTION

DATE:

REVISIONS:

NO. DESCRIPTION

SHEET NAME:

3D VIEWS

PROJECT NO.:

DA20_039

PEACEFUL PINES 4

SPEARFISH, SOUTH DAKOTA

PROJECT MANAGER:

MATTHEW WEISS

DATE:

03.14.2022

SHEET:

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DATE PRINTED: 3/14/2022 8:26:12 AM

PRELIMINARY PLANS - NOT FOR CONSTRUCTION

FULL SCALE: 3/24/22

DRAWING MAY NOT BE PRINTED TO SCALE



PEACEFUL PINES

Senior Living Community

Elkhorn Ridge





PEACEFUL PINES

Senior Living Community

Elkhorn Ridge

GENERAL NOTES - FLOOR PLANS

- A. ALL INTERIOR WALL TYPES TO BE WALL TYPE A1 UNLESS OTHERWISE NOTED. WALL TYPES LISTED ON SHEET T1.6.
- B. SEE ROOM FINISH SCHEDULE ON SHEET A1.2 FOR ALL INTERIOR FINISHES TO BE PROVIDED.
- C. FLOOR FINISH TRANSITIONS TO BE 1/4" MAXIMUM BETWEEN FINISH HEIGHTS.
- D. VERIFY ALL APPLIANCE DIMENSIONS PRIOR TO CONSTRUCTION. REPORT ANY DISCREPANCIES TO ARCHITECT IMMEDIATELY. ALL DIMENSIONS FROM FACE OF STUD UNLESS CLEARLY NOTED OTHERWISE.
- E. PROVIDE WATER-RESISTANT GYP. BD. AT ALL BATHROOM WALL SURFACES UNLESS CLEARLY NOTED OTHERWISE. MANTAIN FIRE RESISTANCE RATING, WHERE REQ'D.
- F. GASKET PERIMETER OF ALL BACKSPLASHES, COUNTER JOINT TO BE CLEAR OR MATCH COLOR OF ADJ. WALL FINISH.
- G. SEE SHEET A1.3 FOR COUNTERSINK FRAME ELEVATIONS, DOOR SCHEDULE AND WINDOW SCHEDULE.
- H. SEE SHEET A1.3 FOR COUNTERSINK FRAME ELEVATIONS, DOOR SCHEDULE AND WINDOW SCHEDULE.
- I. MOVABLE FURNITURE DIMENSIONS AS REFERENCE ONLY (NOT IN CONTRACT).
- J. ALL TOILET PARTITIONS TO HAVE FLOOR-ANCHORED STRUCTURE. DO NOT SUBSTITUTE FOR HEADRAL BRACED SUPPORT SYSTEM. PROVIDE CORNER GUARDS AT ALL INTERIOR OUTSIDE-CORNER APPLICATIONS EQUAL TO OR GREATER THAN 90 DEGREES, EXCLUDING AREAS WITH TILE OR WOOD FLOOR. SEE SPECIFICATIONS FOR CORNER GUARD REQUIREMENTS.
- K.



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Sioux Falls, SD 57104 | P. 605.692.4000

STAMP:
PRELIMINARY PLANS
NOT FOR CONSTRUCTION

REVISIONS:	DATE:
NO. DESCRIPTION:	

SHEET NAME:
OVERALL MAIN LEVEL FLOOR PLAN

PROJECT NO:
DA20_039

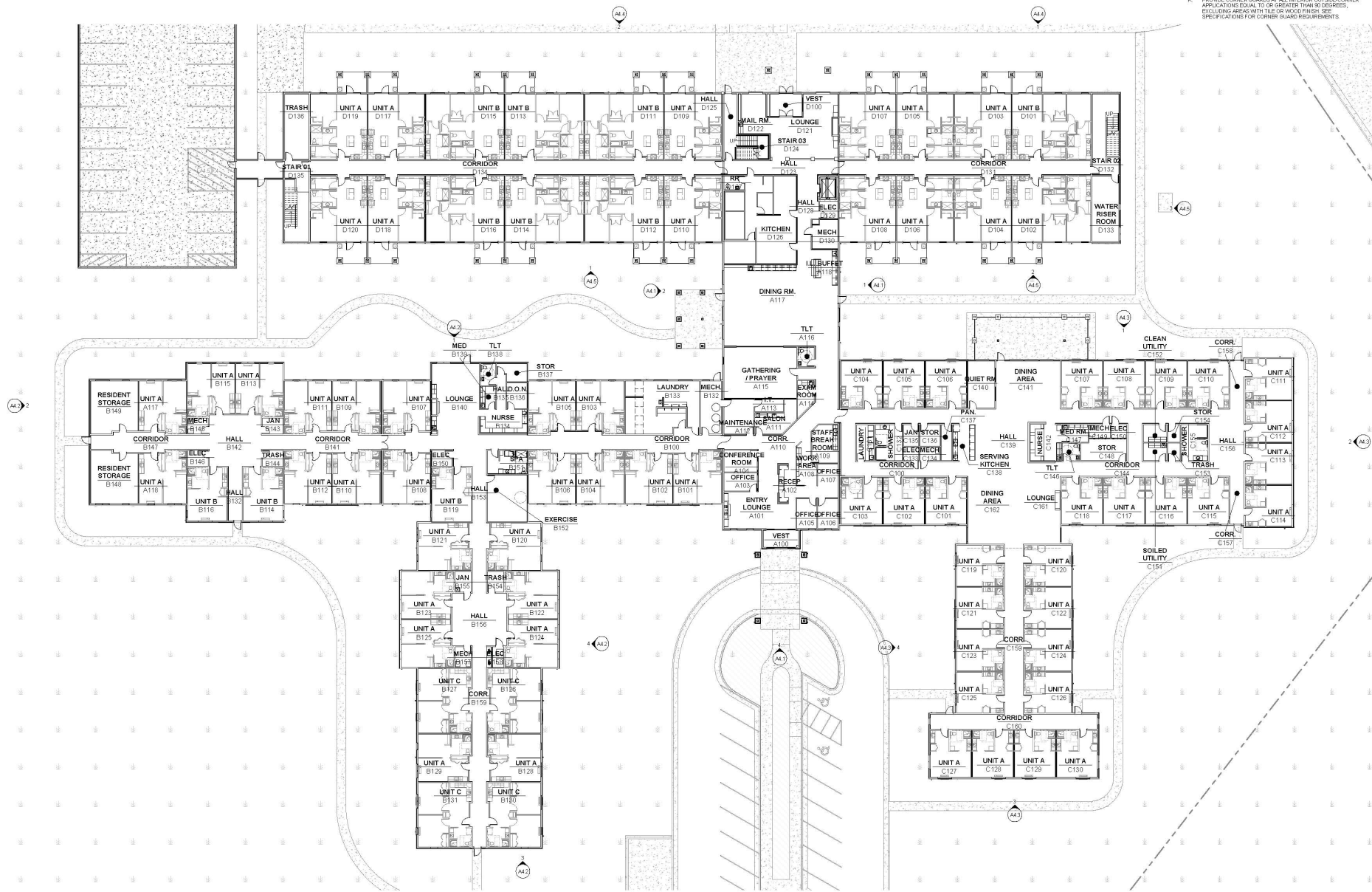
PEACEFUL PINES 4

SPEARFISH, SOUTH DAKOTA
PROJECT MANAGER:
MATTHEW WEISS

DATE:
03.14.2022

SHEET:

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1 OVERALL FLOOR PLAN - MAIN LEVEL
1/8" = 1'-0"

PRELIMINARY PLANS - NOT FOR CONSTRUCTION



GENERAL NOTES - FLOOR PLANS

- A. ALL INTERIOR WALL TYPES TO BE WALL TYPE A1 UNLESS OTHERWISE NOTED. WALL TYPES LISTED ON SHEET T1.6.
- B. SEE ROOM FINISH SCHEDULE ON SHEET A2.2 FOR ALL INTERIOR FINISHES TO BE PROVIDED.
- C. FLOOR FINISH TRANSITIONS TO BE 1/4" MAXIMUM BETWEEN FINISH HEIGHTS.
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- F. PROVIDE WATER-RESISTANT GYP. BD. AT ALL BATHROOM WALL SURFACES UNLESS CLEARLY NOTED OTHERWISE. MAINTAIN FIRE RESISTANCE RATING, WHERE REQUIRED.
- G. CALLS PERIMETER OF ALL BACKPLACES. CAULK JOINT TO BE CLEAR OR MATCH COLOR OF ADJ. WALL FINISH.
- H. SEE SHEET A2.3 FOR DOOR AND FRAME ELEVATIONS, DOOR SCHEDULE AND WINDOW SCHEDULE.
- I. MOVABLE FURNITURE SHOWN AS REFERENCE ONLY (NOT IN CONTRACT).
- J. ALL TOILET PARTITIONS TO HAVE FLOOR-ANCHORED STRUCTURE. DO NOT SUBSTITUTE FOR HEADRAL BRACED SUPPORT SYSTEM. PROVIDE CORNER GUARDS AT ALL INTERIOR OUTSIDE-CORNER APPLICATIONS EQUAL TO OR GREATER THAN 90 DEGREES, EXCLUDING AREAS WITH TILE OR WOOD FINISH. SEE SPECIFICATIONS FOR CORNER GUARD REQUIREMENTS.
- K.

FLOOR PLAN LEGEND:

- INDICATES ACCESSIBLE ROOM
- INDICATES HEARING IMPAIRED ROOM, SEE ELECTRICAL
- WALL TYPE, SEE SHEET T1.3
- WINDOW/STORAGEFRONT, TYPE, SEE SHEET A2.1
- DOOR, SEE SHEET A2.1
- DOOR APPROACH FOR ADA CLEARANCES
- SHEAR WALL, SEE STRUCT.
- FD FLOOR DRAIN, SEE MECH.
- FS FLOOR SINK, SEE MECH.
- DS DOWNSPOUT

NOTE: NOT ALL DESIGNATIONS WILL APPEAR.



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2301 W. Russell St., Ste. 1
Sioux Falls, SD 57104 | P: 605.692.4000

STAMP:

PRELIMINARY PLANS
NOT FOR CONSTRUCTION

REVISIONS:
NO. DESCRIPTION
DATE

SHEET NAME:
OVERALL SECOND LEVEL FLOOR PLAN

PROJECT NO.
DA20_039
PEACEFUL PINES 4
SPEARFISH, SOUTH DAKOTA
PROJECT MANAGER:
MATTHEW WEISS
DATE:
03.14.2022

SHEET:

A0.2

FULL SCALE: 3/8"=1'-0"
DRAWING MAY NOT BE PRINTED TO SCALE



PEACEFUL PINES

Senior Living Community

Elkhorn Ridge

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FLOOR PLAN LEGEND:

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- FS FLOOR SINK, SEE MECH.
- DS DOWNSPOUT

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