PRESS RELEASE

June 29th, 2022



Nicholas R. Sershen 920-279-3745 NICK@VAL-ADDSERVICE.COM



Equity raising goals are being met for a \$28 million Spearfish Senior Living Development

The \$28 million senior living community project in Spearfish, SD has reached its equity goal of \$4 million, but that doesn't mean interested parties have missed the opportunity to invest!

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 aging baby boomer generation's changing goals and needs, 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."

"We're already sold out on the Class A Investment, but with our 8% semi-annually paid subordinated debt note... there are still great opportunities for investment," followed Sershen.

Meetings will be held at the Best Western Ramkota in Sioux Falls on Tuesday, July 19th at 2:00 pm and 7:00 pm and Wednesday, July 20th at 11:00 am and 2:00 pm. Zoom Meetings are available Monday, July 18th at 11:00 am and Thursday, July 21st at 7:00pm! Just reach out to Nick to receive your connection details.

Any South Dakota resident or South Dakota LLC 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. Nicholas R. Sershen 920-279-3745 NICK@VAL-ADDSERVICE.COM











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.





Nicholas R. Sershen

BOX 88331 SIOUX FALLS, SD 57109

O: 605-271-0578 C: 920-279-3745

NICK@VAL-ADDSERVICE.COM



SLH HOLDINGS

Kirk Simet

432 5TH STREET BROOKINGS, SD 57006

605-651-0234

KIRK@SLHHOLDINGS.NET



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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 BROOKINGS, SD 57006

605-651-0234

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

BANKING

Dacotah Back

Yvette Campbell 1441 6TH STREET BROOKINGS, SD 57006

MANAGEMENT

HME Care Services

Jon Bohlen 432 5TH STREET BROOKINGS, SD 57006 CONSTRUCTION

Scull Construction

803 INDUSTRIAL AVE RAPID CITY, SD 57702

ACCOUNTING

Ketel Thorstenson LLP

Paul Thorstenson 609 MT. RUSHMORE ROAD CUSTER, SD 57003

CAPITAL CONSULTING

Val-Add Service

Nicholas R. Sershen BOX 88331 SIOUX FALLS, SD 57109



ATTORNEY

Woods Fuller

Greg Starnes

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

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

SOLD OUT

m 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 8%

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

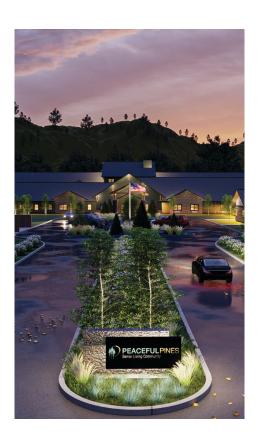
2000 10 2023							
					Change, 20	020 to 2025	
Age	2000	2010	2020	2025	No.	Pct.	
55 to 64	1,611	3,024	3,289	2,960	-329	-10.0%	
65 to 74	1,478	1,815	2,810	3,185	375	13.3%	
75+	1,505	1,961	2,286	2,798	512	22.4%	
Total 65+	2,983	3,776	5,0	5,983	887	17.4%	
			96				
Total Households	12,397	14,696	16,025	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 Bured	au; Viewpoint Cons	ulting Group, Inc	C.				



Senior Household Demand Summary

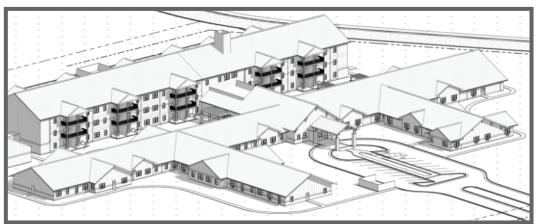
The senior population is projected to have strong growth over the next five years (the age 75+ population is projected to grow by 22.8%). This strong growth should lead to a need for additional senior housing units of various service levels. The initial demand for market rate senior housing on the site 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.

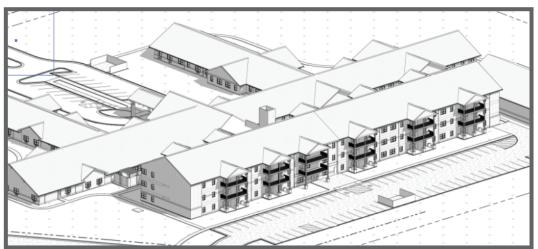


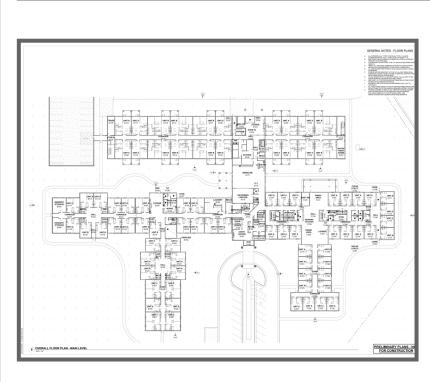
SUMMARY OF INITIAL MARKET RATE DEMAND CALCULATIONS PRIMARY MARKET AREA 2000 to 2025

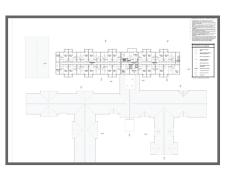
	Total	Total Unmet					
	PMA	Competitive	PMA	Demand at			
	Demand	Supply	Demand	Site			
	2020						
Independent Living	118	24	164	99			
Assisted Living	210	174	36	21			
Memory Care	56	14	42	25			
Total	454	212	242	145			
	2025						
Independent Living	222	24	199	119			
Assisted Living	249	174	75	45		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

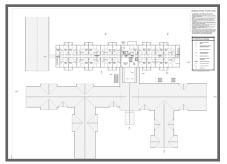












*Images are a creative representation and are for illustrative purposes only.



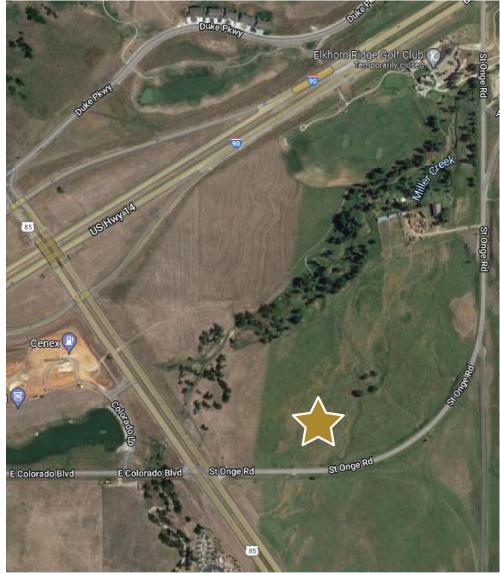
CITATIONS

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.

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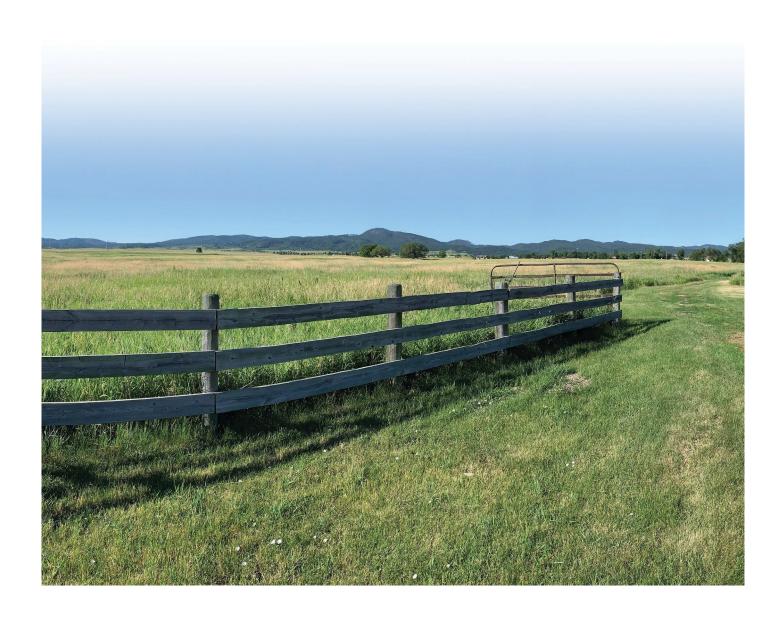


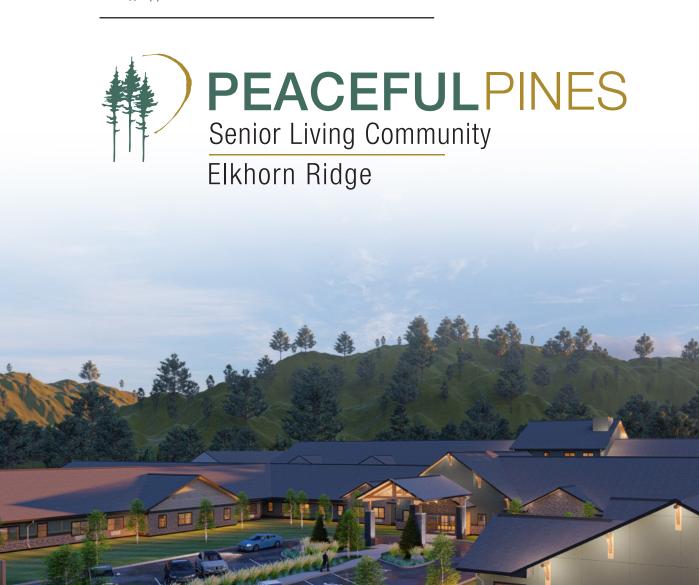




432 5TH STREET BROOKINGS, SD 57006

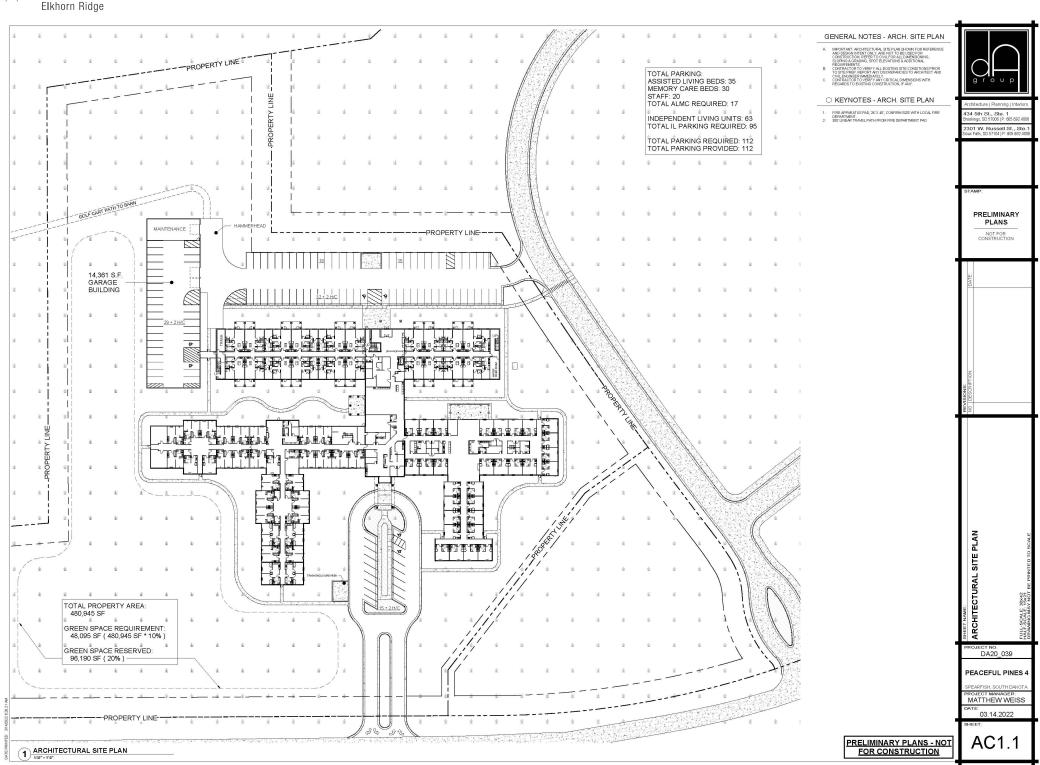
605-655-2269















MATTHEW WEISS



Elkhorn Ridge









