

# OFFERING SUMMARY



## SPLIT ROCK TOWNHOMES

A DEVELOPMENT BY SIGNATURE COMPANIES

SIOUX FALLS, SOUTH DAKOTA



# Split Rock Townhomes



We are pleased to present **Splitrock Townhomes, LLC** ("**Split Rock Townhomes**", "**the Offering**"), a new multi-family development in eastern Sioux Falls that is expected to bring a total of 168 townhome-style apartment units to the intersection of 26th Street and Six Mile Road, in two phases. This is the next phase of the overall development bringing townhome-style living with many different floor plans in two and three-bedroom layouts. Additional commercial development land is southeast of the site, which may offer residents additional nearby services in the future.

Each townhome includes an attached two-stall garage plus two dedicated surface parking spaces, ground floor patios or decks, and a washer/dryer in each unit. The clubhouse that was built for the previous Split Rock Village project on the southeast part of the site will be shared with Split Rock Townhomes, allowing access and cost of the amenities to be shared. Marketing, management staff, and maintenance staff will also be shared, providing improved economies of scale. The clubhouse features a game room, fitness center, golf simulator, in-ground pool and restrooms. The rental office and reception area are also located in the clubhouse building.

- Location:** Near the intersection of 26th Street and Six Mile Road , Sioux Falls, South Dakota
- Project Cost:** Estimated to be \$30,750,000
- Completion Date:** First units expected to open late 2025
- Project Capital:** Minimum of \$5,000,000 with a maximum of \$9,000,000
- Property Ownership:** Owned 100% by Splitrock Townhomes, LLC
- Number of Units:** 168 total split into two phases: 70 units in Phase 1, 98 units in Phase 2

Townhome Apartments:	Unit Type	Square Feet	Number of Units	Estimated Rent
	Hickory—3 BD/2.5 BA Townhome	1,322	85	\$1,650/mo.
	Whitfield—2 BD/1.5 BA Townhome	1,113	25	\$1,475/mo.
	Whitfield Walkout—2 BD/1.5 BA Townhome	1,054	18	\$1,475/mo.
	Cypress—2 BD/1.5 BA Townhome	1,143	40	\$1,450/mo.
TOTAL			168	

- Unit Amenities:** Unit interior finishes include residential grade carpeting on the floors and living area and vinyl flooring in kitchen, bathrooms and laundry room. Appliances include a stove, microwave, refrigerator, washer and dryer, range and hood fan. The layout of units varies between four different building styles with options for 2- or 3-bedroom units, however, each unit includes a kitchen, dining/living room, bath and laundry room, and all units feature a patio or balcony.
- Shared Amenities:** Split Rock Townhomes will have a shared amenity package with neighboring Split Rock Village, including a clubhouse that features a game room, fitness center, golf simulator, in-ground outdoor pool and restrooms and a dog park. The onsite rental office with reception area will also be located in the clubhouse.
- Financing Assumptions:** Construction loan commitment estimated at \$21,750,000; variable interest rate of WSJ Prime minus 0.55%, with a floor of 5.25%, interest-only for 36 months, with a 30-year amortization. Investors are not required to sign loan guarantees.



The Company's Managing Member is Clint Ackerman, sole owner of **Signature Companies**, a diversified real estate company involved with the development and construction of single family homes, condominiums, townhomes, villas, office buildings, and multifamily communities since 1997. The Offering's management has experience with evaluating real estate opportunities in Sioux Falls, SD, Des Moines, IA, Omaha, NE, and other nearby markets. Management has existing contact networks and business capabilities to take advantage of many of the top real estate investment opportunities.

The Split Rock Townhomes investment will be developed and constructed by Signature Companies and its affiliates. Signature Companies has developed and constructed more than 6,700 units worth more than \$1,400,000,000.

**Ernst Capital** is a real estate investment firm that connects investors with regional real estate. Located in Sioux Falls, SD, Ernst Capital helps the Signature Companies team and others manage more than \$1,000,000,000 in real estate assets in Sioux Falls, Des Moines, Omaha, and other nearby markets.

Ernst Capital will be the Company Administrator, and will take care of day-to-day company operations, investor statements, and distribution payments.



Since 2007, Ernst Capital has partnered with investors to invest more than \$275,000,000 into 40 private offerings.

Split Rock Townhomes will be the seventeenth offering involving Ernst Capital and Signature Companies.





## OFFERING TERMS

<b>The Offering</b>	Splitrock Townhomes, LLC
<b>Managing Member</b>	Clint Ackerman
<b>Company Administrator</b>	Ernst Capital
<b>Investment Strategy</b>	Develop a planned 168-unit multi-family real estate investment in Sioux Falls, South Dakota
<b>Minimum Offering Amount</b>	\$5,000,000 in Class A Membership Units offered to Accredited Investors only <sup>1</sup>
<b>Maximum Offering Amount</b>	\$9,000,000 in Class A Membership Units offered to Accredited Investors only <sup>1</sup>
<b>Class A Priority Distribution</b>	7%
<b>Class A Unit Price</b>	\$100,000 per unit
<b>Minimum Investment</b>	Partial Units in \$25,000 increments may be accepted at the discretion of the Managing Member
<b>Upfront Capital</b>	Subscriptions up to Minimum Offering Amount will require 100% of the capital upfront
<b>Expected Investment Period</b>	7-12 years expected hold period

## HOW OPERATING CASH FLOWS ARE DISTRIBUTED:

-  1. Class A Members receive an 7% cumulative priority return.
-  2. 70% to Class A Members collectively and 30% to the Class B Members collectively.

## HOW CAPITAL TRANSACTION PROCEEDS ARE DISTRIBUTED:

-  1. Class A Members receive any unpaid 7% cumulative priority return.
-  2. Class A Members receive an amount equal to their adjusted capital contributions.
-  3. Class B Members receive deferred development fees of up to \$2.3MM
-  4. 70% to Class A Members collectively and 30% to the Class B Members collectively.

# SITE OVERVIEW

**Split Rock Townhomes** is located at the intersection of 26th Street and Six Mile Road in Sioux Falls, South Dakota. This property will be the next phase of the Split Rock master development, with the initial phase consisting of 244 apartment units, 50 garages, full-service clubhouse, patio and pool. Potential future phases may include commercial development to offer residents a variety of nearby services.

This development will be located in fast-growing eastern Sioux Falls, less than five minutes from the Dawley Farm and Foss Fields commercial areas. Businesses located nearby include Plaza Azteca, Caribou Coffee, Avera Health, Glo Hotel, Target, Walmart, Kohl's, Buffalo Wild Wings, Ulta Beauty, PetSmart, Cherry Berry, Ashley Furniture, Burlington, Coffea, Starbucks, Panda Express, Panera Bread, Woodgrain Brewing Company, Menards, Cinemark Theater, Jersey Mike's, Casey's, Kwik Star, Blue Tide Car Wash, Crumbl Cookies, First Dakota National Bank, and more.

Recreation opportunities abound, with nearby access to the Big Sioux River, golf and fitness at Willow Run Golf Course, and the picturesque Arrowhead Park and Mary Jo Wegner Arboretum.

Access to Highway 42 and SD Highway 100 are right out the development's front door, with a new connection from SD Highway 100 to Interstate 90 that opened in the fall of 2020. In addition, the new State of SD "One-Stop" facility is currently under construction just over a mile from the property. The new state facility has begun moving-in staff, and is expected to bring more than 800 jobs to the area once complete.

