

EPIC COMPANIES

Business Plan

230818

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“
Enhancing communities
through innovative
development.”

Our Mission



The company was established in 2015. EPIC emphasizes creating developments that make a difference in the quality of life in the communities in which the development serves. Our typical process is buying land, planning the best use, creating a budget and proforma, raising capital and managing the finished product.

4

5

EXECUTIVE SUMMARY

Mission

Enhancing communities through innovative development.

Applying this mission to the problem(s) that EPIC will solve.

Solution

Our team consists of highly experienced and educated professionals with backgrounds in real estate development, construction, finance, management and more. We use this experience along with our core values to achieve success and solve any challenges that may arise.

Market Focus

EPIC targets urban/infill projects in communities that make sense demographically and need a supply of our product to satisfy demand. EPIC currently maintains approximately 20 acres of land inventory at any given time in the areas deemed applicable by the appropriate demographics.

Competitive Advantage

Our competitive advantage is innovative, out of the box thinking based on current projects, community relations, company culture, experience, creative financing and analyzation.

Ownership

EPIC's major stakeholders include an ownership group; EPIC Holdings II:

Todd Berning
Brian Kounovsky
Blake Nybakken
McKenzy Braaten
Bill Leier
Vicki Campbell
Lance Johnson

Expected Returns

Returns vary by location, timing, market, type of project, etc. The average IRR is 10% to 17% using current cap rates. Average return timing for our investors is 5-10 years of full operations.



COMPANY OVERVIEW

EPIC Companies is an investment, development, and management company that creates mixed-use developments. These developments include quality of life features that result in the creation of long-term steady, return on investment for investors and communities.

EPIC's goals are to manage these properties efficiently and continue to grow this type of project in communities that make economic and community sense.

Our market is North Dakota along with western Minnesota.



Evolve and Adapt

At EPIC Companies, we empower our employees to make decisions, and constantly strive to improve with each project we develop.



Build Relationships

We believe that connecting with our tenants, investors, and employees helps drive success.



Open Communication

EPIC encourages directness so our employees and their ideas can thrive.



Change Your Thoughts, Change Your World

By simply changing your thoughts, one can change the world around you.



Be Humble

We are confident, but are aware of our weaknesses and continue to strive for improvement.

COMPANY OVERVIEW

Company History

EPIC was founded by Todd Berning in 2015 out of a need to better manage properties that are more complex in nature. EPIC started with a few mixed-use developments including Beaver Ridge in Minot, ND and Boulevard Square I and II in West Fargo, ND. EPIC started with minor community amenities and now has grown into a full-size regional development company that develops and operates projects such as The Lights in West Fargo, ND, EOLA in Fargo, ND, The Beacon in Grand Forks, ND and The Tracks in Minot, ND. The projects range from \$50,000,000 to over \$150,000,000.

Markets & Services

EPIC's market is mainly in the Red River Valley of North Dakota and Minnesota. The market of our residential products consists of young adults just beginning their careers – young professionals, and empty nesters looking to downsize their home and possibly go south for the winter months. EPIC targets people currently living in very basic three-story apartments as they have many tenants who want a better option, an option to truly call home.

The services that our product brings is a walkable community with assets such as community spaces that can be programmed all year and flanked by commercial businesses that are active.

EPIC also has a full-scale events department, named EPIC Events. EPIC Events programs these community spaces from a small movie night, bull riding, Dueling Pianos, to major concerts such as Kip Moore, Jimmy Allen, Joan Jett and Justin Moore.

Operational Structure

The company's executive team is Todd Berning, Brian Kounovsky, Blake Nybakken, and Vicki Campbell. Both Berning and Kounovsky are large shareholders in EPIC Companies. The CEO is flanked by Directors of Development, Finance, Events, Marketing & Public Relations, Development, Facilities, Capital, and Construction. The company currently has 50 plus employees.

Financial Goals

EPIC is a privately held company that continues to operate conservatively and owns approximately 15% of every project that it develops. The goal is to continue to be fiscally responsible with debt, cash reserves, and assets that help EPIC grow for years to come. Our finance committee has a weekly meeting to ensure upcoming and current projects are being held to our standards and goals to ensure cash flow.

OUR BUSINESS

Opportunity

The current opportunity market for EPIC has increased demand with the political atmosphere in larger markets along with the continued demand of walkable communities. Smaller markets are asking EPIC to help master plan their communities along with developing our product in one of their underutilized spaces. EPIC's projects are attracting young professionals, active businesses, and city governments looking for higher end mixed-use developments.

Additionally, with EPIC's expertise in events, art, and charitable organizations, the projects fit very well with the current demand of this type of living and business locations.

Product Overview

EPICs products features four to eight story mixed-use buildings of commercial, apartments, and condos that are unlike anything in the competing market EPIC serves. The four pictures and two renderings help illustrate the vision of EPIC Companies on the following pages.



PROJECT OVERVIEW



AREA 57

Area 57, Bismarck, ND



GATEWAY
BY EPIC

Gateway by EPIC, Fargo, ND

PROJECT OVERVIEW



THE
FIRM

The Firm, West Fargo, ND



The
Lights

The Lights, West Fargo, ND

PROJECT RENDERINGS



The Beacon by EPIC, Grand Forks, ND



The Tracks, Minot, ND

OUR BUSINESS

Key Participants

EPIC's key strategic partners include, but are not limited to:

- Community Banks
- Bank of North Dakota
- Local governments, including at the county, city, school, and park level
- Several key accounting and financial firms
- Private investors
- Lawyers

Pricing

Our strategy is to increase the gap of what other developers charge for apartments and/or strip malls. This is very evident in current appraisals, as in most cases, EPIC receives a lower cap rate than its competitors. Our apartment pricing is based on multiple factors including current market rates and what amenities we have to offer. Condo pricing is based on current market and amenities, along with a detailed report from Maxfield Consulting, whom we engage with for every city we bring condos to.



MARKET ANALYSIS



Area 57 Phase II



Thunder Coffee,
Pioneer Place



Sheyenne Plaza

Industry Type

The market opportunity for EPIC products continues to grow. For example, Fargo serves higher percentages of younger adults due to the four universities within a 70-mile radius. This, coupled with the continued desire of local governments to create walkable communities with public amenities make the desire for EPIC projects very strong.

Market Segmentation

The segments of the groups of people and businesses in the markets EPIC targets are growing. Individuals and couples that want to live in a simpler, livelier environment continues to increase. Our share of new construction continues to grow conservatively. EPIC keeps a careful eye on not to overbuild its product so that demand remains high with all three segments – apartment homes, condos, and commercial space.

Competition

EPIC's direct competitors are other developers in the various locations we serve that imitate what we do. EPIC has a dynamic advantage over its competitors with highly qualified personnel, a strong culture among its employees to win, and with the event department that continues to gather data on customers using its services, the database that EPIC accumulates assures that it can be heard over its competitors.

MARKET ANALYSIS

SWOT Analysis

1. Strengths

- a. Company Culture
- b. Relentless passion for enhancing communities
- c. High return on investment
- d. No cash calls to investors

2. Weaknesses

- a. Streamlining current processes
- b. Newer company to build reputation
- c. Fast employee expansion so training and structure to learn

3. Opportunities

- a. Expanding outside of North Dakota/Minnesota
- b. Innovation and technology development
- c. Utilizing government and banking programs/opportunities

4. Threats

- a. Political and economic effects
- b. Evolving market demand
- c. Competition catching up to how we operate

OPERATING PLAN

Order Fulfillment

EPIC manages supply and demand effectively by using market studies of the region and understanding who and what is interested in EPIC products. While it is not a science, studying various trends is very productive and important in the decision-making process.

Payment

EPIC has very little accounts receivable and tracks all payments of all customers on a weekly basis. EPIC has a strict collection policy that is adhered to and have very little bad debt write-offs on its properties. The appropriate fees are always enforced.

Technology

EPIC puts high investments toward technology for access control, surveillance, ticket systems, maintenance management, construction, design, capital, and finance. EPIC spends a considerable amount of money to ensure confidentiality and proper backing up of all necessary data.

Key Customers

EPIC has a very diverse customer and capital base with no one having more than 10% of the appropriate share. This helps mitigate risk with all projects.



OPERATING PLAN

Key Employees and Organization

EPIC's current organizational chart is attached below. The key employee of balance success is the Chief Executive Officer, and the appropriate key man insurance policy on her is in place.



Services

Services critical to fulfill the mission is residentia and commerical leasing, condo sales, maintenance, construction, design, and capital. All services have VPs in charge of these areas and use outside resources when necessary.

MARKETING & SALES PLAN

Key Messages

EPIC’s key message is walkable communities close to many services and public programming as it pertains to customers. Our capital message is having four ways of investment and looking to supply a strong return on that investment. In addition, EPIC is a partner in every project, giving investors the confidence of EPIC seeing the project to fruition.

Marketing Activities

EPIC’s marketing activities are broken down into three segments – advertising, marketing, and public relations. EPIC has an in-house marketing firm to accomplish what is needed for leasing, sales, capital, and events. Mediums such as mass and social media, database, and email campaigns are used through EPIC’s departments along with grass roots capital conferences and one on one meetings. Our charities play an important role with the entertainment and art exposure as well.

Public relations is utilized with news media, conferences, helping local charities, and speaking at community organizations.

Sales

EPIC has several different sales teams – apartment home leasing, condominium sales, commercial leasing, and capital. The approach of how each is done differs and is implemented within the guidelines of the law. The effectiveness is monitored constantly with goals, comparative rates, and occupancy percentages.



Gateway Open House



Local Officials at
POW MIA Plaza



POW MIA Plaza

FINANCIAL PLAN

Financial Plan

The financial plan of each project is carefully laid out. Data is collected from past projects and current market conditions. Financial plans are reviewed by one of the four accounting firms that we use, along with necessary legal documentation to ensure that any public tax incentives are achieved as reflected.

APPENDIX

Page 21 - Sample Weekly Occupancy Report
Page 22- Sample Purchase Request Form
Page 23- Sample Marketing Material



EPIC Companies

Company Name

* Arbor 1 removed for repairs *

Property List

Property Name	Address	City	State	Zip Code	Residential units	Residential Vacancy	Residential Occupancy %
Area 57 C	208 E Greenfield Ln	Fargo	ND	58503	27	1	96%
Area 57 D	202 E Greenfield Ln	Fargo	ND	58503	25	1	96%
EPIC Place	22 1/2 S 3rd st	Grand Forks	ND	58201	7	1	85%
McKinley Plaza	201 Holmes St E	Detroit Lakes	MN	56501	36	0	100%
Mill Square	301 N 3rd st	Grand Forks	ND	58203	12	0	100%
UI Place	1107 North University Dr	James town	ND	58402	56	2	96%
Block E	801 Main Ave	Moorhead	MN	56560	12	1	91%
Bristol Place Lofts	374 5th st N	Fargo	ND	58102	29	0	100%
Comstock Commons	600 8th st s	Moorhead	MN	56560	8	0	100%
704 House	704 8th st s	Moorhead	MN	56560	1	0	100%
706 House	706 8th st s	Moorhead	MN	56560	1	0	100%
Red Door 802	802 7th ave s	Moorhead	MN	56560	6	0	100%
Red Door 808	808 7th ave s	Moorhead	MN	56560	6	0	100%
Vanne	1530 1st ave N	Moorhead	MN	56560	33	0	100%
Gateway North	310 Main Ave	Fargo	ND	58102	53	27	50% * New Building *
Arbor Courts 2	5440 38th Ave s	Fargo	ND	58104	42	0	100%
Arbor Courts 3	5410 38th ave s	Fargo	ND	58104	42	1	97%
Arbor Courts 4	3915 54th st s	Fargo	ND	58104	33	1	97%
Boulevard Square 1	745 31st ave e	West Fargo	ND	58078	30	0	100%
Boulevard Square 2	3140 Bluestem Drive	West Fargo	ND	58078	36	1	97%
The Pass	Arthur Drive S	Fargo	ND	58104	4	0	100%
Morrison House	213 Morrison St.	West Fargo	ND	58078	1	0	100%
Andy's Townhouse	1622 19th ave E	West Fargo	ND	58078	1	0	100%
Duplex on Morrison	219 Morrison St	West Fargo	ND	58078	2	0	100%
Pioneer Place	300 Sheyenne st	West Fargo	ND	58078	51	0	100%
Sheyenne 32 EPIC	3510 Sheyenne st	West Fargo	ND	58078	49	0	100%
Sheyenne 32 ECHO	320 32nd ave w	West Fargo	ND	58078	36	1	97%
Sheyenne Plaza	444 Sheyenne St	West Fargo	ND	58078	22	1	95%
Blu on Broadway	1629 S Broadway	Minot	ND	58701	42	0	100%
The Firm	344 Sheyenne st	West Fargo	ND	58078	26	0	100%
Meadow Lark Townhomes	2nd Ave S	New Rockford	ND	58356	10	0	100%
					739	38	TOTAL 94%



Purchase Requisition Form

PO#
EPIC Companies
745 31st Ave. South
Fargo, ND 58078

Date:		Requestor's Name:	
Vendor:			
Description & Reason for Expenditure:			
Cost Estimate:	Freight/Other:	Taxes:	Total:
Company Credit Card Purchase: Yes <input type="checkbox"/> No <input type="checkbox"/>			
Budget Account #: _____			
Budget Expense Account Name: _____			
CAM: Yes <input type="checkbox"/> No <input type="checkbox"/>		Tenant Reimbursable: Yes <input type="checkbox"/> No <input type="checkbox"/>	
Direct Bill: Yes <input type="checkbox"/> No <input type="checkbox"/>			
Building Name: _____ City: _____ APT #: _____			
Notes/Comments:			
Approved by:		Approval Limits:	
Name: _____ Date: _____			

Updated: 02/12/2021

Meet The Team: Payton

Welcome Payton, our new office intern. Payton is currently a student at NDSDU majoring in Marketing.

[Learn More](#)

Fargo's Next Biggest Attraction

EPIC has announced L&P as the architect and engineering firm hired to plan and develop Fargo's massive indoor water park, The Wave by EPIC.

[Read More](#)

Justin Moore is Coming to West Fargo!

Be the first to buy tickets to this June 11th show at Essentia Health Plaza at The Lights! Use code EPIC to get your tixers today.

[Read More](#)

It's TACO Thursday!

\$1.50 Tacos and Tostadas
\$2 Chips & Salsa
\$4 Taco Slides / \$1.75 Taco Pies
\$3.49 Fish Tacos

[Order Here!](#)

Weekly Email Newsletter

EOLA By EPIC
 Fargo, ND

COMMERCIAL SPACE AVAILABLE

ADDRESS
 4474 24th Ave S & 4460 24th Ave S
 Fargo, ND 58104

PROPERTY DETAILS

Lease Rate	\$24+CAM
Total Space	20,000+ SF*
Space Available	±18,000 SF*
Lease Term	5 Years
Date Available	2022
Floors	1st & 2nd
Fit-up Allowance	\$25/SF

*Total space of first two buildings.
 Subdivided space available. Details and rates are subject to change at any time. Contact for more information.

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View
 4460 24th Ave S

Commercial Brochures

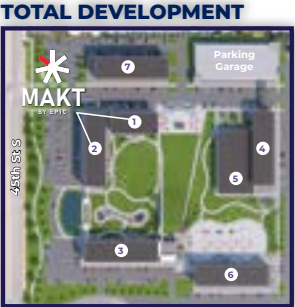
development located on 24th Avenue in South Fargo. Makt features a wealth of exceptional design to create an inclusive living experience.

The Makt buildings will all be approximately seven stories tall and surround a four acre urban public park with year-round features and programming. EPIC Companies looks forward to developing this project over the next five years with our friends in the Fargo metro community.

NEIGHBORHOOD FEATURES

Population (No. of People)		
.5 mile	1 mile	3 miles
2,361	12,497	101,820
Business (No. of Businesses)		
.5 mile	1 mile	3 miles
126	514	4,124
Employees (No. of Employees)		
.5 mile	1 mile	3 miles
2,031	9,804	70,656

Source: ESRI Business Analysis



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Exterior Signage and Large Banners

**BUILD TO SUIT
OPTIONS AVAILABLE**

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Internet Included!
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 • Fitness Room
 • Community Room

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