



October 14, 2022

David O'Neil
Basecamp Lofts & Studios
777 Pearl Street, Suite 200
Boulder, CO 80302

Dear David:

MidWestOne Bank ("Lender") is pleased to provide to the Borrower (defined below) with a Financing Proposal in connection with Credit Facility #1 below. The following is not a commitment from Lender and will be subject to committee approval and compliance with each of the terms and conditions set forth in this letter.

Credit Facility #1 (Assuming Condos will be sold upon completion of construction):

Borrower: Basecamp Residences, LLC

Amount: \$6,000,000
Based on a maximum of 75% of the overall cost of project, and a maximum of 90% of the hard costs of project, and a maximum of 70% Loan to Value of the project as determined by appraisal to be ordered and reviewed by MidWestOne Bank

Purpose: Construction Financing of Basecamp Lofts & Studios, a 29 micro-condo/apartment unit complex project in Frisco, Colorado.

Term & Repayment: **2.5 year maturity** – 18 months construction draw note followed by 1-year period to sell off units.

Rate: Priced at Prime + 0% floating daily for 30 months

Collateral: First Lien Deed of Trust (Leasehold Interest)

Guarantors: Unlimited personal guaranty of David O'Neil

Origination Fee: ¾% (\$45,000)

Prepayment Penalty: 3% during term if refinanced with other lender (no prepayment penalty for repayment from sales of units or sale of project to 3rd party)

Closing Costs: Borrower to pay all 3rd party closing costs including, but not limited to, Appraisal, Title policy, recording fees, 3rd party review of plans and specs, 3rd party inspection/draw fees, attorney fees (if required) for documentation, etc.



I. Conditions of Closing/Funding

- A. Equity requirement of 25% of project cost to be placed into a checking account at MidWestOne Bank with all equity to be advanced as costs advanced first into project prior to loan proceeds.
- B. Appraisal reflecting a maximum LTV of 70%
- C. Satisfactory title insurance on all commercial real estate
- D. Satisfactory evidence of builder's risk insurance on subject during construction and property insurance at completion.
- E. Copy of Environmental Phase 1 reflecting no adverse information which would recommend a Phase 2
- F. Flood Verification that subject is not in a flood zone requiring flood insurance (or evidence of flood insurance if within flood zone).
- G. 3rd Party Review of Plans and Specs
- H. 3rd Party Inspection prior to each draw to be reviewed by MidWestOne Bank
- I. Assignment of leases between landowner and borrower.
- J. Borrower must maintain primary operating deposit account with MidWestOne Bank.

Reporting Requirements


- A. Borrower shall furnish a copy of their Business Tax Return by May 31 annually thereafter
- B. Guarantor shall furnish a copy of their Personal Financial Statement by May 31 annually
- C. Guarantor shall furnish a copy of their Personal Tax Return by May 31 annually (including copies of Business Tax Returns for all related entities of which Guarantor has a 15% or greater interest)
- D. With reasonable promptness, Borrower shall provide Bank with any additional information requested in writing by Lender.

Financial Covenants

- A. 85% of the net proceeds of the sale of each unit is to be applied to the note balance until paid in full (At a minimum, payoff upon 60% of units sold)

This proposal is for discussion purposes only. Lender is not obligated to enter into a credit relationship with you. If Borrower and Lender mutually choose to continue negotiations (neither side is under any obligation to do so), then final review and approval will be sought. Thanks again for the opportunity to issue you this proposal. Feel free to call me at 720-739-2291 with any questions. This proposal will expire within 45 days of date below, and terms contained herein to be replaced by the terms contained within final loan documentation (assuming closing occurs).

Sincerely,



Kevin Conroy, Senior Vice President
MidWestOne Bank

Date: 10-19-22

AGREED: BASECAMP RESIDENCES, LLC



David G. O'Neil, Manager

Date: October 29, 2022