

**Basecamp Lofts + Studios**  
**Preliminary Proforma, Assuming Units Sold**  
as of September 3, 2022

SOURCES AND USES	2022		2023			<u>Total</u>	<u>Cost Per Unit</u>
	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr		
<b>Sources</b>							
Construction Financing (3)							
Private Equity Construction Financing	\$ 500,000	\$ 800,000	\$ 700,000	\$ -	\$ -	\$ 2,000,000	\$ 66,667
Conventional Construction Financing	\$ -		\$ 2,750,000	\$ 3,250,000	\$ -	6,000,000	200,000
Financing Subtotal	\$ 500,000	\$ 800,000	\$ 3,450,000	\$ 3,250,000	\$ -	\$ 8,000,000	
Revenue (3)							
Loft Unit Sales				7,783,125		7,783,125	259,438
Lawn Unit Sales				4,996,250		4,996,250	166,542
Carport / EV Charging Station Sales				1,125,000		1,125,000	37,500
Gross Sales				13,904,375		13,904,375	204,042
Less Commisions & Closing Costs	7.00%			(973,306)		(973,306)	(32,444)
Net Sale Proceeds				12,931,069		12,931,069	431,036
Total Sources	\$500,000	\$800,000	\$3,450,000	\$16,181,069		\$20,931,069	697,702
<b>Uses</b>							
Construction & Development Cost Estimates (4)							
Horizontal Construction	\$125,570	396,931	\$576,909	180,481.97		1,279,892	42,663
Vertical Construction	310,572	310,572	2,484,577	3,105,721	-	6,211,441	207,048
Carport / EV Charging Stations			300,000	450,000	-	750,000	25,000
Total Construction Cost	\$436,142	\$707,503	\$3,361,485	\$3,736,203	-	8,241,333	274,711
Private Equity Construction Financing Expense (5)							
Loan Origination	20,000					20,000	667
Financing Fee				300,000		300,000	10,000
Conventional Financing Expense							
Loan Origination		60,000				60,000	2,000
Interest		-	39,531	-	-	39,531	1,318
Construction Financing Repayment							
Private Equity Construction Financing Payoff				2,000,000		2,000,000	66,667
Conventional Construction Financing Payoff				6,000,000		6,000,000	200,000
Total Uses	\$ 456,142	\$ 767,503	\$ 3,401,016	\$ 12,036,203	\$ -	\$ 16,660,864	\$ 555,362
<b>Cash Flow</b>	<b>\$ 43,858</b>	<b>\$ 32,497</b>	<b>\$ 48,984</b>	<b>\$ 4,144,866</b>		<b>\$ 4,270,204</b>	

**Total Increase (Decrease) In Cash**

Beginning of Period	\$10,000	\$53,858	\$86,355	\$135,338	\$4,280,204
Cashflow	43,858	32,497	48,984	4,144,866	-
Distributions					4,000,000
End of Period	<u>\$53,858</u>	<u>\$86,355</u>	<u>\$135,338</u>	<u>\$4,280,204</u>	<u>\$4,280,204</u>

**Notes:**

**This proforma is preliminary in nature and based upon certain assumptions which may or may not be correct. As a result, it should be viewed as a place to begin a process to verify the assumptions and test the numbers, such verification and testing to be done by independent parties including appraiser, lender and financial advisers.**

**1. Summary Project Data**

Number of Units	30
Net Salable SF	13,125
Project	
Gross Sales Revenue	\$ 13,904,375
Less:	
Construction & Dev Cost	8,241,333
Financing Expense	419,531
Commissions & Closing Costs	<u>973,306</u> (9,634,171)
Profit	\$ 4,270,204
Square Feet	
Gross Sales Revenue / SF	\$ 1,059
Construction & Dev, Financing, Commish & Closing Costs / SF	\$ 734
Profit / SF	\$ 325
Units	
Avg Sales Price / Unit	\$ 463,479
Construction & Dev, Financing, Commish & Closing Costs/Unit	<u>\$ (321,139)</u>
Avg Profit / Unit	\$ 142,340

**2. Construction Financing Total Costs**

Equity*	\$ 2,000,000	25%
Constr Loan	<u>6,000,000</u>	75%
Total	\$ 8,000,000	100%

**Key Lending Ratios**

Gross Sales Revenue	13,904,375
LTV	43%

\*Private Equity Construction Loan Secured by 2nd DOT (subordinate to Conventional Construction Loan 1st DOT).

**3. Units / Sales Prices**

	<u># Units</u>	<u>Sq. Ft.</u>	<u>Sales PPSF</u>	<u>Price / Unit</u>	<u>Total Sales</u>	<u>Total Sq. Ft.</u>
Lofts Premium	8	525	\$ 1,000	\$525,000	\$ 4,200,000	4,200
Lofts	7	525	\$ 975	\$511,875	\$ 3,583,125	3,675
Subtotal Loft Units/Sales	<u>15</u>				<u>\$ 7,783,125</u>	<u>7,875</u>
Lawn Premium	1	350	\$ 975	\$341,250	\$ 341,250	350
Lawn	13	350	\$ 950	\$332,500	\$ 4,322,500	4,550
ADA	1	350	\$ 950	\$332,500	\$ 332,500	350
Subtotal Lawn Units/Sales	<u>15</u>				<u>\$ 4,996,250</u>	<u>5,250</u>
Total Units/Sales	30				<u>\$ 12,779,375</u>	13,125
Carport / EV Charging Station Sales	15			\$75,000	<u>\$ 1,125,000</u>	
Project Gross Sales					<u><u>\$ 13,904,375</u></u>	

**4. Construction & Development Costs**

		2022		2023			Total
		4th Qrt	1st Qrt	2nd Qrt	3rd Qrt	4th Qrt	
Horizontal Cost Estimate	\$ 1,279,892	\$ 125,570	\$ 396,931	\$ 576,909	\$ 180,482	-	\$ 1,279,892
Vertical Stick Build Cost Estimate	6,211,441	310,572	310,572	2,484,577	3,105,721	-	6,211,441
Car Port / EV Charging Stations				300,000	450,000	-	750,000
Cost Per Port & Station	\$ 50,000	750,000					
Total Construction & Development Cost	8,241,333	\$ 436,142	\$ 707,503	\$ 3,361,485	\$ 3,736,203	\$ -	\$ 8,241,333

**5. Construction Financing Expense**

		2022		2023			Total
		4th Qrt	1st Qrt	2nd Qrt	3rd Qtr	4th Qtr	
Private Equity Construction Loan							
Beginning Balance		\$ -	\$ 500,000	\$ 1,300,000	\$ 2,000,000	\$ -	\$ -
Draws		500,000	800,000	700,000	-	-	2,000,000
Payoff		-	-	-	- 2,000,000	-	- 2,000,000
Ending Balance		\$ 500,000	\$ 1,300,000	\$ 2,000,000	\$ -	\$ -	\$ -
PE Interest fee	15%				\$ 300,000	\$ -	\$ 300,000
Conventional Construction Financing							
Beginning Balance		\$ -	\$ -	\$ -	\$ 2,750,000	\$ -	\$ -
Draws		-	-	2,750,000	3,250,000	-	6,000,000
Payoff		-	-	-	- 6,000,000	-	- 6,000,000
Ending Balance		\$ -	\$ -	\$ 2,750,000	\$ -	\$ -	\$ -
Loan Interest**	5.75%	\$ -	\$ -	\$ 39,531	\$ -	\$ -	\$ 39,531

\*\* Assumes rates increase to one point over current WSJ prime.

**Horizontal Expense**

as of

**Estimated Cashflow Requirements assuming ground breaking 7/1/2020**

	<b>30 Units</b>	<b>2022</b>			<b>2023</b>			<b>Total</b>	<b>Cost Per Unit</b>
		<b>2nd Qtr</b>	<b>3rd Qtr</b>	<b>4th Qtr</b>	<b>1st Qtr</b>	<b>2nd Qtr</b>	<b>3rd Qtr</b>		
Hardcosts									
Horizontal Site & Infrastructure (1)	\$ 589,480	\$ -	\$ -	\$ -	\$ -	\$ 442,110	\$ 147,370	\$ 589,480	\$ 19,649
Survey	20,000	-	-	-	-	20,000	-	20,000	667
Electric Dist Xcel	80,500	-	-	-	80,500	-	-	80,500	2,683
GL & Builder's Risk	5,600	-	-	-	5,600	-	-	5,600	187
Project Mgmt / Admin	6,300	-	-	-	2,100	2,100	2,100	6,300	210
General Conditions Developer	6,300	-	-	-	2,100	2,100	2,100	6,300	210
Water & Sewer PIFS	178,500	-	-	-	178,500	-	-	178,500	5,950
	<u>\$ 886,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,800</u>	<u>\$ 466,310</u>	<u>\$ 151,570</u>	<u>\$ 886,680</u>	<u>\$ 29,556</u>
Contingency	10% \$ 88,668	\$ -	\$ -	\$ -	\$ 26,880	\$ 46,631	\$ 15,157	\$ 88,668	\$ 2,956
Subtotal Horizontal	<b>\$ 975,348</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 295,680</b>	<b>\$ 512,941</b>	<b>\$ 166,727</b>	<b>\$ 975,348</b>	<b>\$ 32,512</b>
Soft Costs									
Land Planning	\$ 75,000	-	-	\$ 60,000	\$ 15,000	-	-	\$ 75,000	\$ 2,500
Civil Engineering	63,500.00	-	-	31,750	31,750	-	-	63,500.00	2,117
Soils Engineering	50,000.00	-	-	15,000	15,000	20,000	-	50,000.00	1,667
Legal & Acctg	18,500.00	-	-	9,250	9,250	-	-	18,500.00	617
Total Soft Costs	<u>\$ 207,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,000</u>	<u>\$ 71,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 207,000</u>	<u>\$ 6,900</u>
Horizontal Hard & Soft Costs	\$ 1,182,348	\$ -	\$ -	\$ 116,000	\$ 366,680	\$ 532,941	\$ 166,727	\$ 1,182,348	\$ 39,412
Developer Fee	8.25% \$ 97,544	\$ -	\$ -	\$ 9,570	\$ 30,251	\$ 43,968	\$ 13,755	\$ 97,544	\$ 3,251
Total Horizontal Cost	<u>\$ 1,279,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,570</u>	<u>\$ 396,931</u>	<u>\$ 576,909</u>	<u>\$ 180,482</u>	<u>\$ 1,279,892</u>	<u>\$ 42,663</u>

**Notes:**

1. Horizontal Site & Infrastructure

Mobe	\$ 2,029
Demo & Hazmat	42,014
Site Prep	18,061
Earthwork	43,245
Utilities	118,000
Drainage & Containment	60,000
Parking Lot Const.	42,000
Sidewalks / Paths	45,000
Dumpster	40,000
Landscaping	75,000
<b>Subtotal</b>	<u>\$ 485,349</u>
General Conditions 10%	48,535
General Liability (1% of all costs)	6,032
Contingency 3% (all costs above)	16,197
GC Fee 6% all costs	33,367
<b>TOTAL HORIZONTAL</b>	<u><b>\$ 589,480</b></u>

**Vertical Stick Build Cost Estimate**

as of

**Vertical Construction**

West Building (2)

East Building (2)

Total

Cost / SF

Cost / Unit

**Notes:**

1. Unit Type Budget

# of Units

Net Rentable Square Feet

Total SF

Stick Build On-Site Construction Cost / SF

Modular On-Site Construction Cost / SF\*

\*Excluding Note 3 Items Below

2. Building Unit Allocation

West Building

East Building

Total

3. Off Site Construction Costs

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**Total      Cost / SF      Cost / Unit**

Modular Units FOB Factory

Transportation

Sales Tax

Modular Insurance

Set & Stich

Finishes After Stich

Soft Costs

Design & Engineering

Sturctural Engineer

MEP / Fire Engineering

Energy Rating

QC / Third Party Reviews

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Subtotal Off-Site Construction Costs

4. On Site Construction Costs				
Hard Costs				
		<b>Total</b>	<b>Cost / SF</b>	<b>Cost / Unit</b>
Hardcosts		\$ 3,937,500	\$ 300.00	\$ 131,250
General Conditions	6%	236,250	18.00	7,875
General Liability	1%	39,375	3.00	1,313
Performance Bond - 1 yr	1%	43,844	3.34	1,461
Warranty Reserve		15,000	1.14	500
Contingency	5%	210,656	16.05	7,022
GC Fee 6%	6%	265,427	20.22	8,848
		<u>\$ 4,748,052</u>	<u>\$ 361.76</u>	<u>\$ 158,268</u>
Other Hardcosts				
Building Permits		\$ 87,000	\$ 6.63	\$ 2,900
Fire Fee		15,000	1.14	500
Impact Fees		31,500	2.40	1,050
Water Tap		90,000	6.86	3,000
Sewer Tap		135,000	10.29	4,500
Xcel Energy		54,000	4.11	1,800
GL & Builder's Risk		18,000	1.37	600
Project Mgmt / Admin		90,000	6.86	3,000
General Conditions Developer		30,000	2.29	1,000
Contingency		60,000	4.57	2,000
Winter Conditions		112,500	8.57	3,750
		<u>\$ 723,000</u>	<u>\$ 55.09</u>	<u>\$ 24,100</u>
Subtotal On Site Construction Costs		<b>\$ 5,471,052</b>	<b>\$ 416.84</b>	<b>\$ 182,368</b>
Soft Costs				
Architectural		\$ 69,000	\$ 5.26	\$ 2,300
Civil Engineering		\$ 45,000	\$ 3.43	\$ 1,500
Soils Engineering		\$ 30,000	\$ 2.29	\$ 1,000
Structural Engineering		12,000	1	400
MEP / Fire Engineering		45,000	3.43	1,500
Energy Rating		12,900	0.98	430
QC / Third Party Reviews		8,100	0.62	270
Legal & Acctg		45,000	3.43	1,500
		<u>\$ 267,000</u>	<u>\$ 20.34</u>	<u>\$ 8,900</u>
Sutotal Soft Costs		\$ 267,000	\$ 20.34	\$ 8,900
Total Off Site, On Site & Soft Costs		\$ 5,738,052	\$ 437.18	\$ 191,268
Developer Fee	8.25%	<u>\$ 473,389</u>	<u>36.07</u>	<u>\$ 15,780</u>
<b>Estimated Cost / Unit Type</b>		<b><u>\$ 6,211,441</u></b>	<b><u>\$ 473.25</u></b>	<b><u>\$ 207,048</u></b>
Cost PSF		\$ 473		

**Pre-Construction Budget**

as of 11/15/22

<u>Horizontal</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Horizontal Site & Infrastructure			
Survey / Utility Locates	\$ 11,540	\$ -	\$ 11,540
Electric Dist Xcel (Application Fee)	-	80,500	(80,500)
GL & Builder's Risk	-	-	\$ -
Project Mgmt / Admin		-	\$ -
General Conditions Developer		-	\$ -
Water & Sewer PIFS		-	\$ -
Soft Costs			\$ -
Land Planning		75,000	(75,000)
Pel-Ono	103,096		\$ 103,096
Upland	700		\$ 700
Landscape Design	16,721		\$ 16,721
Civil Engineering / Drainage Design	46,636	55,000	(8,364)
Soils Engineering	10,986	50,000	(39,014)
Legal, Acctg & Appraisal	34,755	18,500	\$ 16,255
Subtotal Horizontal Site & Infrastructure	\$ 212,894	\$ 198,500	\$ 14,394
<b>Vertical</b>			
General Conditions	\$ -	\$ -	\$ -
General Liability		-	\$ -
Performance Bond - 1 yr		-	\$ -
Warranty Reserve		-	\$ -
Contingency		-	\$ -
GC Fee 6%		-	\$ -
Other Hardcosts			\$ -
Building Permits	5,800	5,800	\$ -
Fire Fee		-	\$ -
Impact Fees		-	\$ -
Water Tap		-	\$ -
Sewer Tap		-	\$ -
Xcel Energy		-	\$ -
GL & Builder's Risk		-	\$ -
Project Mgmt / Admin		-	\$ -
General Conditions Developer		-	\$ -
Contingency		-	\$ -
Winter Conditions		-	\$ -

Soft Costs			\$	-
Architectural			69,000	\$ (69,000)
Civil Engineering			45,000	\$ (45,000)
Soils Engineering			30,000	\$ (30,000)
Structural Engineering			16,000	\$ (16,000)
MEP / Lighting	8,565		32,000	\$ (23,435)
Energy Rating			21,235	\$ (21,235)
QC / Third Party Reviews	4,950		8,100	\$ (3,150)
Legal , Acctg, Construction Estimating	2,692		45,000	\$ (42,308)
Sutotal Vertical Costs		\$ 22,007	\$ 272,135	\$ (250,128)
Total Off Site, On Site & Soft Costs		\$ 234,901	\$ 470,635	\$ (235,734)
Contingency (marketing)	10.00%	\$ 60,080	\$ 47,064	\$ 13,017
Subtotal		\$ 294,981	\$ 517,699	\$ (222,718)
Developer Fee	8.25%		\$ 42,710	\$ (42,710)
Total Pre-Construction Cost		\$ 294,981	\$ 560,409	\$ (265,428)
Rounded to			\$ 600,000	