

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		
Sources							
Construction Financing (3)							
Private Equity Construction Financing	\$ 750,000		\$ 1,250,000	\$ -	\$ -	\$ 2,000,000	\$ 66,667
Conventional Construction Financing	\$ -		\$ 2,750,000	\$ 3,250,000	\$ -	6,000,000	200,000
Financing Subtotal	\$ 750,000	\$ -	\$ 4,000,000	\$ 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	\$750,000	\$0	\$4,000,000	\$16,181,069		\$20,931,069	697,702
Uses							
Construction & Development Cost Estimates (4)							
Horizontal Construction	\$276,177	92,112	\$839,181	177,981.40		1,385,452	46,182
Vertical Construction	-	-	2,052,189	2,054,038	2,054,038	6,160,264	205,342
Carport / EV Charging Stations			300,000	450,000	-	750,000	25,000
Total Construction Cost	\$276,177	\$92,112	\$3,191,370	\$2,682,019	\$2,054,038	8,295,716	276,524
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	\$ 296,177	\$ 152,112	\$ 3,230,901	\$ 10,982,019	\$ 2,054,038	\$ 16,715,247	\$ 557,175
Cash Flow	\$ 453,823	\$ (152,112)	\$ 769,099	\$ 5,199,050	\$ (2,054,038)	\$ 4,215,822	

Total Increase (Decrease) In Cash

Beginning of Period	\$10,000	\$463,823	\$311,711	\$1,080,810	\$6,279,859
Cashflow	453,823	- 152,112	769,099	5,199,050	- 2,054,038
Distributions					4,000,000
End of Period	<u>\$463,823</u>	<u>\$311,711</u>	<u>\$1,080,810</u>	<u>\$6,279,859</u>	<u>\$4,225,822</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. In addition, budget amounts will be subject to adjustment as the project gets closer to breaking ground.

1. Summary Project Data

Number of Units	30
Net Salable SF	13,125
Project	
Gross Sales Revenue	\$ 13,904,375
Less:	
Construction & Dev Cost	8,284,333
Financing Expense	419,531
Commissions & Closing Costs	<u>973,306 (9,677,171)</u>
Profit	\$ 4,227,204
Square Feet	
Gross Sales Revenue / SF	\$ 1,059
Construction & Dev, Financing, Commish & Closing Costs / SF	\$ 737
Profit / SF	\$ 322
Units	
Avg Sales Price / Unit	\$ 463,479
Construction & Dev, Financing, Commish & Closing Costs/Unit	<u>\$ (322,572)</u>
Avg Profit / Unit	\$ 140,907

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	
Horizontal Cost Estimate	\$ 1,371,604		\$ 276,177	\$ 92,112	\$ 839,181	\$ 177,981	\$ 1,385,452
Vertical Stick Build Cost Estimate	6,162,729				2,052,189	2,054,038	2,054,038
Car Port / EV Charging Stations							
Cost Per Port & Station	\$ 50,000	750,000			300,000	450,000	-
Total Construction & Development Cost	8,284,333		\$ 276,177	\$ 92,112	\$ 3,191,370	\$ 2,682,019	\$ 2,054,038
							\$ 750,000
							\$ 8,295,716

5. Construction Financing Expense

			2022	2023			Total
			4th Qrt	1st Qrt	2nd Qrt	3rd Qtr	
Private Equity Construction Loan							
Beginning Balance			\$ -	\$ 750,000	\$ 750,000	\$ 2,000,000	\$ -
Draws			750,000	-	1,250,000	-	2,000,000
Payoff			-	-	-	2,000,000	-
Ending Balance			\$ 750,000	\$ 750,000	\$ 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	-
Payoff			-	-	-	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

September 3, 2022

Estimated Cashflow Requirements assuming ground breaking 7/1/2020

	<u>30 Units</u>	2022			2023			<u>Total</u>	<u>Cost Per Unit</u>
		2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr		
Hardcosts									
Horizontal Site & Infrastructure (1)	\$ 589,480	\$ -	\$ -	\$ -	\$ -	\$ 442,110	\$ 147,370	\$ 589,480	\$ 19,649
Survey	20,000			9,860		10,140		20,000	667
Utility Locates	1,680			1,680				1,680	56
Electric Dist Xcel	80,000				20,000	60,000		80,000	2,667
GL & Builder's Risk	5,600					5,600		5,600	187
Project Mgmt / Admin	6,300					6,300		6,300	210
General Conditions Developer	6,300				2,100	2,100	2,100	6,300	210
Water & Sewer PIFS	178,599					178,500		178,500	5,950
TOF Application Fees	5,800			5,800				5,800	193
	<u>\$ 893,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,340</u>	<u>\$ 22,100</u>	<u>\$ 704,750</u>	<u>\$ 149,470</u>	<u>\$ 893,660</u>	<u>\$ 29,789</u>
Contingency	10% \$ 89,376	\$ -	\$ -	\$ 1,734	\$ 2,210	\$ 70,475	\$ 14,947	\$ 89,366	\$ 2,979
Subtotal Horizontal	<u>\$ 983,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,074</u>	<u>\$ 24,310</u>	<u>\$ 775,225</u>	<u>\$ 164,417</u>	<u>\$ 983,026</u>	<u>\$ 32,768</u>
Soft Costs									
Land Planning									
Pel-Ona	\$ 104,000			\$ 103,096	\$ 904			\$ 104,000	\$ 3,467
Landscape Design	17,000			17,000				17,000	567
Upland Planning	700			700				700	23
Engineering									
Civil Engineering	55,500			18,985	36,515			55,500.00	1,850
Drainage Design	50,000			27,651	22,349			50,000.00	1,667
Soils Engineering	12,000			10,986	1,014			12,000.00	400
MEP	1,159			1,159				1,159.00	
Traffic Study	1,600			1,600				1,600.00	
Lighting	7,406			7,406				7,406.00	
Legal, Acctg & Appraisal									
Legal	13,416			25,642				25,642.00	
Appraisal	6,000			6,000				6,000.00	
Construciton Estimating	2,400			2,400				2,400.00	
Misc Admin	292			292				292.00	
Construction Consulting	5,000			4,950				4,950.00	
Accounting	7,463			8,188				8,188.00	
Total Soft Costs	<u>\$ 283,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,055</u>	<u>\$ 60,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,837</u>	<u>\$ 9,895</u>
Horizontal Hard & Soft Costs	\$ 1,267,071	\$ -	\$ -	\$ 255,129	\$ 85,092	\$ 775,225	\$ 164,417	\$ 1,279,863	\$ 42,662
Developer Fee	8.25% \$ 104,533	\$ -	\$ -	\$ 21,048	\$ 7,020	\$ 63,956	\$ 13,564	\$ 105,589	\$ 3,520
Total Horizontal Cost	<u>\$ 1,371,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,177</u>	<u>\$ 92,112</u>	<u>\$ 839,181</u>	<u>\$ 177,981</u>	<u>\$ 1,385,452</u>	<u>\$ 46,182</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
Subtotal	<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
TOTAL HORIZONTAL	<u>\$ 589,480</u>

4. On Site Construction Costs		Cost Per Unit			Total Cost					
		<u>Lofts</u>	<u>Lawn</u>	<u>ADA</u>	<u>Lofts</u>	<u>Lawn</u>	<u>ADA</u>	<u>Total</u>	<u>Cost / SF</u>	<u>Cost / Unit</u>
Hard Costs										
Hardcosts		\$ 157,500	\$ 105,000	\$ 105,000	\$2,362,500	\$ 1,470,000	\$ 105,000	\$ 3,937,500	\$ 300.00	\$ 131,250
General Conditions	6%	9,450	6,300	6,300	141,750	88,200	6,300	236,250	18.00	7,875
General Liability	1%	1,575	1,050	1,050	23,625	14,700	1,050	39,375	3.00	1,313
Performance Bond - 1 yr	1%	1,754	1,169	1,169	26,306	16,368	1,169	43,844	3.34	1,461
Warranty Reserve		500	500	500	7,500	7,000	500	15,000	1.14	500
Contingency	5%	8,426	5,618	5,618	126,394	78,645	5,618	210,656	16.05	7,022
GC Fee 6%	6%	10,617	7,078	7,078	159,256	99,093	7,078	265,427	20.22	8,848
		\$ 189,822	\$ 126,715	\$ 126,715	\$2,847,331	\$ 1,774,006	\$ 126,715	\$ 4,748,052	\$ 361.76	\$ 158,268
Other Hardcosts										
Building Permits		\$ 2,900	\$ 2,900	\$ 2,900	\$ 43,500	\$ 40,600	\$ 2,900	\$ 87,000	\$ 6.63	\$ 2,900
Fire Fee		\$ 500	\$ 500	\$ 500	7,500	7,000	500	15,000	1.14	500
Impact Fees		1,050	1,050	1,050	15,750	14,700	1,050	31,500	2.40	1,050
Water Tap		3,000	3,000	3,000	45,000	42,000	3,000	90,000	6.86	3,000
Sewer Tap		4,500	4,500	4,500	67,500	63,000	4,500	135,000	10.29	4,500
Xcel Energy		1,800	1,800	1,800	27,000	25,200	1,800	54,000	4.11	1,800
GL & Builder's Risk		600	600	600	9,000	8,400	600	18,000	1.37	600
Project Mgmt / Admin		3,000	3,000	3,000	45,000	42,000	3,000	90,000	6.86	3,000
General Conditions Developer		1,000	1,000	1,000	15,000	14,000	1,000	30,000	2.29	1,000
Contingency		2,000	2,000	2,000	30,000	28,000	2,000	60,000	4.57	2,000
Winter Conditions		3,750	3,750	3,750	56,250	52,500	3,750	112,500	8.57	3,750
		\$ 24,100	\$ 24,100	\$ 24,100	\$ 361,500	\$ 337,400	\$ 24,100	\$ 723,000	\$ 55.09	\$ 24,100
Subtotal On Site Construction Costs		\$ 213,922	\$ 150,815	\$ 150,815	\$3,208,831	\$ 2,111,406	\$ 150,815	\$ 5,471,052	\$ 416.84	\$ 182,368
Soft Costs										
Architectural		\$ 2,300	\$ 2,300	\$ 2,300	\$ 34,500	\$ 32,200	\$ 2,300	\$ 69,000	\$ 5.26	\$ 2,300
Soils Engineering		1,000	1,000	1,000	\$ 15,000	\$ 14,000	\$ 1,000	\$ 30,000	\$ 2.29	\$ 1,000
Structural Engineering		400	400	400	6,000	5,600	400	25,000	2	833
MEP		1,500	1,500	1,500	22,500	21,000	1,500	25,000	1.90	833
Energy Rating		430	430	430	6,450	6,020	430	21,235	1.62	708
QC / Third Party Reviews		270	270	270	4,050	3,780	270	15,000	1.14	500
Legal, Acctg & Constr Estimating								30,000	2.29	1,000
Marketing		1,500	1,500	1,500	22,500	21,000	1,500	60,000	4.57	2,000
Sutotal Soft Costs		\$ 7,400	\$ 7,400	\$ 7,400	\$ 111,000	\$ 103,600	\$ 7,400	\$ 275,235	\$ 20.97	\$ 9,175
Total Off Site, On Site & Soft Costs		\$ 221,322	\$ 158,215	\$ 158,215	\$3,319,831	\$ 2,215,006	\$ 158,215	\$ 5,746,287	\$ 437.81	\$ 191,543
Developer Fee	8.25%	\$ 18,259	\$ 13,053	\$ 13,053	\$ 273,886	\$ 182,738	\$ 13,053	\$ 469,677	35.78	\$ 15,656
Estimated Cost / Unit Type		\$ 239,581	\$ 171,267	\$ 171,267	\$3,593,717	\$ 2,397,744	\$ 171,267	\$ 6,162,729	\$ 469.54	\$ 205,424
Cost PSF		456	489	489	\$ 456	\$ 489	\$ 489	\$ 470		

Pre-Construction Budget

as of 12/04/2022

<u>Horizontal</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Budget Cost Per Unit</u>
Horizontal Site & Infrastructure				
Survey	\$ 9,860	\$ 11,540	\$ (1,680)	\$ 385
Utility Locates	1,680	1,680	-	
Electric Dist Xcel (Application Fee)	-	20,000	(20,000)	667
GL & Builder's Risk	-	-	-	-
Project Mgmt / Admin	-	-	-	-
General Conditions Developer	-	-	-	-
Water & Sewer PIFS	-	-	-	-
TOF Application Fees	5,800	6,000	(200)	200
Soft Costs				
Land Planning				
Pel-Ona	103,096	104,000	(904)	3,467
Landscape Design	16,721	17,000	(279)	567
Upland Planning	700	700	-	
Engineering				
Civil Engineering	18,985	55,500	(36,515)	1,850
Drainage Design	27,651	50,000	(22,349)	
Soils Engineering	10,986	12,000	(1,014)	400
MEP	1,159	1,159	-	39
Traffic Study	1,900	1,600	300	53
Lighting	7,406	7,406	-	247
Legal, Acctg & Appraisal				
Legal	25,642	13,416	12,226	447
Appraisal	925	6,000	(5,075)	200
Construction Estimating	2,400	2,400	-	80
Misc. Admin	292	292	-	10
Construction Consulting	4,950	5,000	(50)	167
Accounting	8,188	7,463	725	\$ 249
Sutotal Horizontal Costs	248,341	\$ 323,156	\$ (74,815)	\$ 9,026
Vertical				
General Conditions	\$ -	\$ -	\$ -	-
General Liability	-	-	-	-
Performance Bond - 1 yr	-	-	-	-
Warranty Reserve	-	-	-	-
Contingency	-	-	-	-
GC Fee 6%	-	-	-	-

Other Hardcosts	-	-	-	-	
Building Permits	-	-	-	-	
Fire Fee	-	-	-	-	
Impact Fees	-	-	-	-	
Water Tap	-	-	-	-	
Sewer Tap	-	-	-	-	
Xcel Energy	-	-	-	-	
GL & Builder's Risk	-	-	-	-	
Project Mgmt / Admin	-	50,000	(50,000)	1,667	
General Conditions Developer	-	-	-	-	
Contingency	-	-	-	-	
Winter Conditions	-	-	-	-	
Soft Costs					
Architectural		69,000	(69,000)	2,300	
Soils Engineering		30,000	(30,000)	1,000	
Structural Engineering		25,000	(25,000)	833	
MEP		25,000	(25,000)	833	
Energy Rating		21,235	(21,235)	708	
QC / Third Party Reviews		15,000	(15,000)	500	
Legal , Acctg, Construction Estimating		30,000	(30,000)	1,000	
Marketing	30,040	60,000	(29,960)	2,000	
Sutotal Vertical Costs	\$ 30,040	\$ 325,235	\$ (295,195)	\$ 10,841	
Total Off Site, On Site & Soft Costs	\$ 278,381	\$ 648,391	\$ (370,010)	21,613	
Contingency		\$ 44,000	\$ (44,000)	1,467	
Subtotal	\$ 278,381	\$ 692,391	\$ (414,010)	\$ 23,080	
Developer Fee	8.25%	\$ 22,966	\$ 57,122	\$ (34,156)	1,904
Total Pre-Construction Cost	\$ 301,347	\$ 749,513	\$ (448,166)	\$ 24,984	
Rounded to		\$ 750,000	\$ 749,513		