

LAKE POINT MADISON CONDOMINIUMS

LANDSCAPE WORK:

- The existing flower bed have all been weeded, shrubs trimmed and mulched. The installation of the final landscaping was completed on Friday October 26th.
- The landscaping along Broadway has been placed per the PUD.
- We have received inquiries from potential buyers regarding the possibility of a fence along Broadway to provide privacy. We have worked on getting bids in order to evaluate the expense of this option. As the fence had not been apart of the original PUD, further conversation regarding the privacy issue will have to be conducted with the city urban design staff, alderman and realtors. Nothing further will be done this fall.

TOWN HOME MODEL:

- Unit 1801 is complete and staged. Unit 1803 will also be completely built out.
- The remaining 9 units will be left white boxed and be finished out per buyers specifications. The cost of completing this work is anticipated to be \$180,000.

CONVERSION UNITS

- The existing building has been power washed, new electrical and signage have been ordered. The basements are getting cleaned and painted out. Two model units have been set; up one ground floor unit and another upper level unit.
- Of the 20 unsold units, 8 are completed, and 12 remain white-boxed ready for buyer selections. The cost of completing this work is anticipated to be \$120,000.

LAKE POINT MADISON CONDOMINIUM ASSOCIATION

- The second Home Owner's Association meeting was held on October 16th.
- None of the current owner's wanted the responsibility of an on site manager position, we are currently advertising for the position and are interviewing a couple candidates. We are going to offer them a conversion unit to live in, as this will ensure an onsite manager at all times.

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MARKETING UPDATE:

- We have had no new offers on units in the past month
- The open houses, which are still regularly held, do not generate traffic. The realtors are seeing more requests to view the property though.
- Additional signage has been placed around the entire site. We have made direct contact with the Wal-Mart going up across the belt-line. Anchor Bank compiled some financing worksheets, for us to include in the packet, which was distributed to potential new Wal-Mart employees.

LAKE POINT CURRENT FINANCIAL STATUS

- As the final draw from the CDA loan is to be in place by December 15th, we have asked AMCON Design and Construction to complete all of their work by the end of November 2007.
- We will be able to complete the work required to bring the remaining units to a white box stage, all drywall, finish carpentry, painting complete, within the \$2 million CDA loan.
- The installation of final buyer finish selections, which are; flooring, cabinets, counter tops and appliances, will be done when we have received an accepted offer to purchase. The cost of this work will be funded from the sales proceeds, of the unit.
- The CDA may be paid off if the following occurs;
 - a) The sale of all of the 14 remaining new units (3 B-units & 11 A-units),
 - b) The sales of the 20 existing units (E-Units)
 - c) A combination of the two.
- The projected income from rehab-units, after sales and construction expenses, is \$1.51 million. The projected income from the new-units, after sales and construction expenses, \$2.13 million.
- The out of pocket monthly expenses to developer are approximately \$17,750.00 (see report from August 2007). To date developers have invested into the project \$530,783.17.

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- In today's market we are anticipating at least another 24 months to sell Lake Point Madison.
- We are requesting that the CDA give us a one year extension, till December 31, 2008, on paying back the CDA loan.