

March 5, 2008 Update for Lake Point Condominiums

Overall status: **Good**

Market Status: **Poor**

214 condominium units (\$59,000-169,900) are listed in the East Madison market, five new listings ranging from 102,000-150,000 (3 on Patriot Drive)

8 units have been sold this year

Inventory- 2 duplex units, 9 townhomes and 18 conversion units

Traffic Overview

Residential Condominium buyer traffic is very slow. Weekends are producing 3 or 4 visitors to the open houses. Some of the potential visiting buyers will be purchasing a home at some point, but seem to be without buying urgency, some just looking to evaluate the market and our product. In an interesting turn, their lenders are advising the buyer to offer very low, irrespective of list price. . Open houses the last few weekends have generated a few showings, but not viable buyers.

We have advertised a re-grand opening for the 8th and hope the weather warms up Madison and the market

Contracts

3 pending contracts for sale-one duplex, two Conversion units.

Duplex unit has received a loan commitment and waived the financing contingency. Inspection on the 12th is the final contingency.

The two conversion unit contracts have hit some roadblocks with the process of assistance funds and the timing of the other contract. Our resources are working on both deals to overcome any issues upon which we can assist.

Schedule item	Item Owner	Plan date	Actual or scheduled	Comments
Landscape	Receiver	10/15/2008	TBD Spring?	I am working with contractors on the Saiki plan to determine the best planting mix and pricing available.
Interior finishing of several units	Receiver		2/9/2009	staging and finish of the 4 units has been completed (units 1811, 1813, 5329 and 5337).
Laundry in Conversion units	Receiver	2/15/2009	3/20/09	Sales contract timing has backed this up by a month. We will be installing a stackable laundry unit in a conversion closet, as part of the sale contract for 5355, the inventory unit below will also have one installed as cost efficiencies will help and allow the sales team to show that option.

Details

Depending on cash flow, the third and fourth phases of the siding work will resume in the Spring. Cash flow has been limited coming out of the winter months as snow removal and heating bills in the conversion units and unsold inventory have absorbed the available funds. I am working on a control package for the boiler to ensure efficient energy consumption through modulating the set temperature vs. the outside temp. in the conversion buildings. Additionally, the entire budget is under review consistently for potential on-going expense efficiencies. December and January snow removal was oppressive on the available funds.

I negotiated a higher sales price on the 5355 conversion unit sale to offset the requested installation of the closet laundry unit idea I've been researching. The infrastructure piping for that second floor unit will allow me to cost effectively install a unit in the closet of the first floor unit below for future sales purposes. The buyer has a personal contingency to get past prior to moving forward, so given the foregoing cash flow concern; this improvement will be completed this month as opposed to the previous February plan.

Marketing

At this time, Condominiums in general are not in favor with lenders. More specifically, projects that have not been turned over to the homeowner's association are not being considered for mortgages by many banks. The fact Lake Point is in receivership increases the foregoing difficulty. That being said, we have Anchor Bank on board looking to lend on contracts. An important step going forward will be to procure several other banking sources willing to lend on contracts at Lake Point.

Events-

Attached are several of the flyers and advertisements for the March 8th Open House.

The Lake Point website has been up and links to both First Weber and the CDA's buyer assistance programs (<http://lakepointcondos.com>).

As stated last month, the most effective way to market to our target buyer (younger, first time, under 150k) is via the internet. Newspapers are no longer the research tool of buyers under 40.

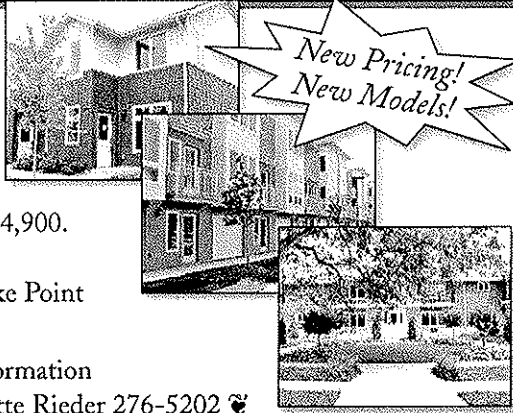
Neighborhood and parking concerns are the most prevalent objections. Several of the current resident owners have offered to explain the neighborhood condition to interested buyers in an attempt to diffuse that objection. Parking is a buyer concern we continue to work on.

As always, I'm happy to meet with the Board should they request additional information.

CUSTOMER:	FIRST WEBER AGENT MADISO	PROOF TIME	3/3/2009 2:00:41 PM
REP ID:	SA00	LAST RUN:	03/08/09
DESIGNER	mnigoldk	SIZE:	4X3

LAKE POINT CONDOMINIUMS GRAND OPENING & BUYER'S FAIR!!

- ♥ Lenders On Site
- ♥ Financing Assistance Information Available.
- ♥ Homes from 655 sq.ft. to over 1600 sq.ft. and range from \$59,900 to \$154,900.
- ♥ OPEN TODAY 1-4 P.M.
- ♥ Broadway to Bridge to Lake Point



For more information contact Lynette Rieder 276-5202 ♥
 Don Knutson 278-4167 ♥ LakePointCondos.com

LAKE POINT CONDOS GRAND RE-OPENING

**BUYER'S FAIR
MARCH 8TH 1-4PM
LAKE POINT DR.**



GARDEN VIEW CT.



LAKE PARK BLVD



CONSERVATION PLACE

- FINANCING ASSISTANCE INFORMATION AVAILABLE
- LENDERS ON SITE
- HOMES FROM 665 SQ. FT. TO OVER 1600 SQ. FT. AND RANGE FROM \$ 59,900 TO \$ 154,900.
- MARCH 8TH 1-4 PM
- BROADWAY TO BRIDGE TO LAKE POINT DR.
- FOR MORE INFORMATION CONTACT LYNETTE RIEDER 276-5202 OR DON KNUTSON AT 278-4167 OR KIP RIEDER 278-4190
- knutsond@firstweber.com
- riederl@firstweber.com
- riederk@firstweber.com

**THE
KNUTSON
RIEDER
&
RIEDER
TEAM**



**LAKE POINT CONDOS
BROKER OPEN
MARCH 10TH**

**GRAND RE-OPENING
LUNCHEON 11-1 PM
LAKE POINT DR.**



GARDEN VIEW CT.



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CONSERVATION PLACE

**THE
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LAKE POINT CONDOMINIUM'S 2009 ESTIMATED OPERATING BUDGET SUMMARY													updated March 5	Date:	March 5, 2009
LPC Assoc. Operating Expenses	January	February	J&F Actual	March	April	May	June	July	August	September	October	November	December	Total	
Building Maint & Repair	375	375	1,500	375	375	375	375	375	375	375	375	375	375	6,000	
Admin. & Legal Fees	42	42	26	42	42	42	42	42	42	42	42	42	42	530	
Supplies	49	49	354	49	49	49	49	49	49	49	49	49	49	942	
Property Mgmt Fee	383	398	726	383	383	383	383	383	383	383	383	383	383	5,337	
Lawn and Grounds						900	900	900	900	900	900			5,400	
Snow Removal	3,810	2,650	8,825	1,000								1,500	1,500	19,285	
Trash Refuse	210	210	412	210	210	210	210	210	210	210	210	210	210	2,932	
Postage	5	5	16	5	5	5	5	5	5	5	5	5	5	76	
Insurance	2,400		2,400		2,400			2,400			2,400			12,000	
Utilities-Gas/Elect	2,000	2,000	4,167	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	28,167	
Utilities-Sewer/water	325	325	550	325	325	325	325	325	325	325	325	325	325	4,450	
Income Tax Return						110								110	
Revenue-Assoc. Dues	3,300	3,450	5,025	2,750	2,875	3,000	3,125	3,250	3,250	3,250	3,500	3,500	3,500	85,229	
delinquent Assoc Dues			(1,725)											43,775	
Non-Reimbursable Expenses															
Utilities-Gas/Elec	1,350	1,350	2,100	1,200	1,100	1,000	1,000	1,000	1,000	1,000	1,100	1,250	1,350	15,800	
Utilities-Sewer/water				750			750			750			750	3,000	
Real Estate Taxes		27,220	27,220					27,220						81,660	
Association Dues (shortfall)		7,500	15,000		5,000				-		6,500	6,500		40,500	
LPC Development Expenses															
Payment of Non-Reimb	1,350	36,070	44,320	1,950	6,100	1,000	1,750	28,220	1,000	1,750	7,600	7,750	2,100	140,960	
Complete Townhomes	49,500		51,138							45,000				145,638	
Complete Conversion Units				26,500	26,500	13,750								66,750	
Complete Duplex Units	26,000		29,400											55,400	
Capital Costs-Repairs	2,400		2,403	4,200	2,200	1,850	2,000	2,100	1,000					18,153	
Landscape						25,000								25,000	
Soft Costs/Advertising		500	500	2,100	3,450	520	20	20	20	20	20	20	20	7,190	
Fees	8,480	4,850	13,330	4,850	4,850	5,900	4,250	5,900	4,250	7,250	4,250	4,250	4,250	76,660	
													Sub Total	535,751	
Debt Service*															
\$	1,752,772.00	-			14,700				14,700				14,000	43,400	
LPC Development Costs	87,730	41,420	141,091	39,600	57,800	48,020	8,020	36,240	20,970	54,020	11,870	12,020	20,350	579,151	
Net Revenue-Unit Sales			11,941	difference											
Duplex				115,000											
Conversion Units				45,000											
Townhomes															
CDA Capital Contribution		75,000													
Income/Revenue	-	75,000	-	115,000	45,000										
Development Cash Position	11,035	44,615		120,015	107,215	191,195	223,175	201,935	180,965	216,945	205,075	193,055	212,705	-	
Secured Debt	1,752,772			-		(100,000)	(100,000)	(100,000)					(100,000)	1,352,772	
Unsecured Debt (lien debt)	343,389										Estimated Gross Sales Value-Unsold Inventory			1,622,000	

* Debt Matures 12/15/11, receiver has not reviewed the note at this juncture

The overage in the budget was due to excessive snow removal, repairs to damaged doors and windows
Upgrades to the model townhomes and to duplex 5329 to procure the sale.
Some 2008 operating costs that were dealt with in January
A shortfall in Association dues with delinquent payments and due to a lack of closings, this has been adjusted

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													Sub Total	531,801		
<i>Debt Service*</i>																
\$	1,752,772.00	-			14,700				14,700				14,000	43,400		
LPC Development Costs	87,730	41,420	141,091	39,600	57,800	46,170	8,020	34,140	20,970	54,020	11,870	12,020	20,350	575,201		
Net Revenue-Unit Sales			11,941	difference												
Duplex				115,000				115,000						230,000		
Conversion Units					45,000	92,000	(2 units)			90,000	(2 units)			227,000		
Townhomes						140,000	140,000						140,000	420,000		
CDA Capital Contribution		75,000														
Income/Revenue	-	75,000	-	115,000	45,000	232,000	140,000	115,000	-	90,000	-	-	140,000	877,000		
Development Cash Position	11,035	44,615		120,015	107,215	193,045	225,025	205,885	184,915	220,895	209,025	197,005	216,655	-		
Secured Debt	1,752,772			-		(100,000)	(100,000)	(100,000)					(100,000)	1,352,772		
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