

October 14, 2008 Update for Lake Point Condominiums

Overall status: **fair**

Overview

Residential Condominium buyer traffic is quite slow throughout the marketplace. Buyer traffic has slowed at Lake Point. Market conditions remain poor and football games appear to have played a role in the slowdown of open house traffic. First Weber feels Lake Point is seeing some traffic in a market where many projects seem void of potential buyers.

1 new purchase contract (1803 townhome).

Schedule item	Item Owner	Plan date	Last estimate	Actual or scheduled	Comments
Moisture Repair Complete	Receiver	9/20/2008		10/2/2008	Done
Landscape Design	Receiver	10/15/2008			Ken Saiki's plan will be delivered this week, pricing alternatives to follow
Site Improvements	Anchor	10/1/2008		10/4/2008	Fall lawn care and maintenance underway
Bids for interior finishing due 10/22	Receiver	10/15/2008		9/15/2008	Interior unit work commencing
Siding repair	Receiver	10/15/2008		11/2/2008	First Phase complete, sections to be completed as budget allows

Details

The budget is complete and the owner's meeting scheduled for the 14th of October was productive.

Basement clean up and laundry analysis of the conversion units continues.

The exterior siding is being corrected in phases, the first phase was completed. Several miscellaneous construction issues have been addressed. This work will continue over the next month or so (some work is weather dependent).

The planned staging of the existing model townhome has been cancelled pending the sale of that unit closing in November. The two partially completed duplex units will be finished within by the end of October and a new model townhome or 2 will be completed soon after the closing of 1803.

Saiki Design is submitting soft line sketches of 2 alternatives for landscape improvement of the Broadway elevation on the 15th of this month. Estimates for those designs will be gathered over the next week and a cost benefit review will follow budget numbers. Communal feature options for the center green space remain under review. One of the Lake Point owners is a landscape architect and has several designs for the feature.

Receiver and First Weber, along with the CDA's help, continue to explore lender alternatives to assist credit challenged buyers.

The economy has seen some difficult times this past month and hopefully we are trending toward better times.

An updated pro forma estimate will be completed every quarter to track performance. No changes to the estimated pro-forma (below) have been necessary at this juncture

LAKE POINT CONDOMINIUM PRO FORMA

Unit	Price	Qty	Year 1	Year 2	Year 3	Year 4
<i>Absorption Rate July to July</i>						
Garden View	\$ 59,000	18	23%-50%	50%-60%	-30%~-23%	160%~13%
Townhome	\$ 150,000	10	299,500	359,400	359,400	59,900
Duplex	\$ 119,900	2	450,000	600,000	300,000	150,000
Gross Sales			119,900	119,900	-	239,800
Commission	7%		869,400	1,079,300	659,400	209,900
Sales Revenue			(60,858)	(75,551)	(46,158)	(14,693)
			808,542	1,003,749	613,242	195,207
Unit Improvement Costs						
Garden View		18	48,000	72,000	72,000	24,000
Townhomes		10	44,000	66,000	66,000	22,000
Duplex		2	44,000	-	-	-
			136,000	138,000	138,000	46,000
Net Sales Proceeds			672,542	865,749	475,242	149,207
Operating Costs						
Property Taxes			41,200	35,600	23,000	11,330
Assoc Dues	\$ 1,600		30,000	24,000	18,500	12,000
Other Capital Costs			25,700	16,800	4,500	84,500
Debt Service**	4.50%		90,000	55,000	30,121	27,040
Soft Costs			110,000	65,000	45,000	25,000
			296,900	196,400	121,121	75,370
Net Cash Flow**			375,642	669,349	354,121	73,837
Secured Debt Balance	\$ 2,000,000		1,624,358	955,009	600,888	527,051
Unsecured Debt Balance	\$ 343,381		351,299	351,299	351,299	351,299
Escrowed Proceeds	\$ 521,321					131,892

**net cash flow shall be utilized to pay down existing debt