

May 9, 2009 Update for Lake Point Condominiums

Overall status: **Good**

Market Status: **Poor**

603 listings (in the range of \$59,000-169,900) are listed in the East Madison market (supply side is increasing),

47 offers pending offers-1 sold East and 1 sold West,

Lake Point Inventory- 1 duplex unit, 9 townhomes and 18 conversion units.

Traffic Overview

Residential Condominium buyer traffic has improved with the weather. Weekends are producing modest traffic, but serious buyers. West side traditional homes seem to be the prevalent competition for the townhome buyer.

Buyer comments express concern over the "Simpson" area, limited parking and some reservation about the bedroom size in the townhome units.

Buyers appear to be opting for the single family units on the West Side. Lake Point, with 2 and 3 bedroom units available that include only one parking space and no street parking is nonfunctional for a two person working household or others with driving age children. That does not consider the issue of visitor parking.

Contracts

One duplex (5329) contract was closed in April

3 pending contracts for Conversion units.

One conversion unit contracts have hit some roadblocks with the process of assistance funds and the timing of the other contract, but it appears we may be past the foregoing.

One conversion unit appears to be tracking toward a May 12 closing,

One contract is set for a June closing.

Schedule item	Item Owner	Plan date	Actual or scheduled	Comments
Landscape	Receiver		5/17/09	Plan is revised and approved work to start on or about the 17 th of May
Owner Punch Lists	Receiver		5/29/09	Work has started. Should be complete in 3 weeks or so.
Laundry in Conversion units	Receiver		5/29/09	Installation of the in-unit laundry is complete. Two more units will be equipped this month.

Details

My apologies for the absence of an April report. Easter vacation with my family did not allow time to complete the report prior to our departure.

The best plan to counter objections on the “Simpson” area is to enlist the Lake Point owners to communicate with potential buyers and convey their positive experience. The punch list to correct the prior developer’s shortcomings is intended to create some needed goodwill at Lake Point.

The landscape project on Broadway is approved and a very will be completed within the next 30 days. It should soften the traffic edge of the project and provide privacy to the townhomes.

The laundry in the conversion units is attractive to prospective buyers, whether it derives a higher price is suspect. That being said, merely increasing the velocity of sales will be a benefit to Lake Point.

Management Note for Anchor to review, the water and sewer bills are being reviewed, as this line item was the only big discrepancy in the operating estimate for March and April. This is being investigated. In addition, we held off improving inventory in anticipation of some closings to bolster working capital, therefore funds budgeted were not spent during the period.

Delinquent Association Dues from current owners has been reduced by over 30%. One owner represents over 50% of the balance due. They are being pursued to the fullest extent at this juncture.

Marketing

A broker open house and lunch was held. The feedback was positive and several co-broke showings have resulted from this event.

Events-

Owners at Lake Point have joined forces for a volunteer neighborhood property enhancement. Providing labor to help the spring clean up and landscaping.

The marketing team has been charged with the goal of creating a new marketing campaign to enhance the potential for sales velocity at the project as the nice weather begins.

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

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.

LAKE POINT CONDOMINIUM'S 2009 ESTIMATED OPERATING BUDGET SUMMARY										updated March 5			Date:	March 5, 2009		
<i>LPC Assoc. Operating Expenses</i>	January	February	J&F Actual	March	April	M&A actual	May	June	July	August	September	October	November	December	Total	
Building Maint & Repair	375	375	1,500	375	375	748	375	375	375	375	375	375	375	375	6,748	
Admin. & Legal Fees	42	42	26	42	42	78	42	42	42	42	42	42	42	42	608	
Supplies	49	49	354	49	49	82	49	49	49	49	49	49	49	49	1,024	
Property Mgmt Fee	383	398	726	383	383	726	383	383	383	383	383	383	383	383	6,063	
Lawn and Grounds							900	900	900	900	900	900			5,400	
Snow Removal	3,810	2,650	8,825	1,000		1,465							1,500	1,500	20,750	
Trash Refuse	210	210	412	210	210	312	210	210	210	210	210	210	210	210	3,244	
Postage	5	5	16	5	5	16	5	5	5	5	5	5	5	5	92	
Insurance	2,400		2,400		2,400	1,445			2,400			2,400			13,445	
Utilities-Gas/Elect	2,000	2,000	4,167	2,000	2,000	2,397	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	30,564	
Utilities-Sewer/water	325	325	550	325	325	325	325	325	325	325	325	325	325	325	4,775	
Income Tax Return							110								110	
<i>Revenue-Assoc. Dues</i>	3,300	3,450	5,025	2,750	2,875	5,399	3,000	3,125	3,250	3,250	3,250	3,500	3,500	3,500	92,823	
<i>delinquent Assoc Dues</i>			(1,725)												92,823	
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		1,700		750			750			750	4,700	
Real Estate Taxes		27,220	27,220						27,220						81,660	
Association Dues (shortfall)		7,500	15,000		5,000	5,000				7,500		6,500	6,500		53,000	
<i>LPC Development Expenses</i>																
Payment of Non-Reimb	1,350	36,070	44,320	1,950	6,100	5,000	1,000	1,750	28,220	8,500	1,750	7,600	7,750	2,100	153,460	
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	4,000	1,850	2,000	2,100	1,000					22,153	
Landscape							25,000								25,000	
Soft Costs/Advertising		500	500	2,100	3,450	4,675	520	20	20	20	20	20	20	20	11,865	
Fees	8,480	4,850	13,330	4,850	4,850	4,654	5,900	4,250	5,900	4,250	7,250	4,250	4,250	4,250	81,314	
														Sub Total	561,580	
<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	18,329	48,020	8,020	36,240	28,470	54,020	11,870	12,020	20,350	604,980	
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		191,195	223,175	201,935	173,465	209,445	197,575	185,555	205,205	-	
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