

July 2, 2009 Update for Lake Point Condominiums

Overall status: **Fair**

Market Status: **Poor**

603 listings (in the range of \$55,000-150,000) are listed in the East Madison market (supply side is increasing),

37 offers pending offers- 5 sold

Lake Point Inventory- 1 duplex unit, 9 townhomes and 17 conversion units.

Traffic Overview

Residential Condominium buyer traffic seems to have slowed. Open house traffic has been minimal according to First Weber. The brokers remain steadfast that we priced the townhomes too high in the current market.

Parking for visitors and owners is the main buyer concern, followed by a little neighborhood questioning.

Contracts

One conversion unit Closed on June 17,

One conversion unit contract is set to close on July 14 and One duplex is closing around the same date.

No other offers have been submitted by the First Weber group.

Schedule item	Item Owner	Plan date	Actual or scheduled	Comments
Landscape	Receiver		5/17/09	Complete
Owner Punch Lists	Receiver		5/29/09	This work is about 65% complete with coordination of owners taking some time.
Laundry in Conversion units	Receiver		5/29/09	Installation of the in-unit laundry is complete. One more unit will be equipped this month.

Details

The punch list process is underway. Owners are arranging access for the various trades.

The landscape project on Broadway is complete. It looks very nice and helps complete the site.

The Lake Point Condominium Documents are being review and will be revised in the next couple of months to correct some details and address some operational issues.

Delinquency of Association Dues has been significantly reduced. Payments appear to be consistent and timely. Performance relative to the estimated budget is sound. Vandalism on to windows and a door to the conversions and flood damage created additional repair charges in June. Townhomes sales were predicted for this month which has not occurred. Thus, the revenue side is lagging behind the estimate.

Marketing

I am reviewing the entire marketing program in an attempt to enhance velocity. It appears that a new look at the townhome marketing is required. With 3 bedrooms and 1 parking space, creativity is required.

Events- FW to plan an event for July August.

Fannie Mae criteria remains to be detailed.

New contractors have submitted bids for the grounds work. Those awarded will complete a clean-up and pruning of the grounds and landscaping.

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

LPC Assoc. Operating Expenses	January	February	J&F Actual	March	April	M& A actual	May	May Actual	June	June Actual	July	August	September	October	November	December	Total
Building Maint & Repair	375	375	1,500	375	375	748	375	360	375	860	375	375	375	375	375	375	7,968
Admin. & Legal Fees	42	42	26	42	42	78	42	37	42		42	42	42	42	42	42	645
Supplies	49	49	354	49	49	82	49	111	49	73	49	49	49	49	49	49	1,208
Property Mgmt Fee	383	398	726	383	383	726	383	347	383	346	383	383	383	383	383	383	6,756
Lawn and Grounds							900	1,729	900	1,285	900	900	900	900			8,414
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	269	210	268	210	210	210	210	210	210	3,781
Postage	5	5	16	5	5	16	5	6	5	10	5	5	5	5	5	5	108
Insurance	2,400		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	627	2,000	1,410	2,000	2,000	2,000	2,000	2,000	2,000	32,601
Utilities-Sewer/water	325	325	550	325	325	325	325	16	325		325	325	325	325	325	325	4,791
Income Tax Return							110										110
<i>Revenue-Assoc. Dues</i>	3,300	3,450	5,025	2,750	2,875	5,399	3,000	3,460	3,125		3,250	3,250	3,250	3,500	3,500	3,500	100,577
<i>delinquent Assoc Dues</i>			(1,725)														

Non-Reimbursable Expenses																	
Utilities-Gas/Elec	1,350	1,350	2,100	1,200	1,100		1,000	987	1,000		1,000	1,000	1,000	1,100	1,250	1,350	16,787
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

LPC Development Expenses																	
Payment of Non-Reimb	1,350	36,070	44,320	1,950	6,100	5,000	1,000		1,750	2,750	28,220	8,500	1,750	7,600	7,750	2,100	156,210
Complete Townhomes	49,500		51,138										45,000				145,638
Complete Conversion Units				26,500	26,500	-	13,750	11,000		29,608							107,358
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	4,230	4,250		5,900	4,250	7,250	4,250	4,250	4,250	85,544
																	Sub Total

<i>Debt Service*</i>																	
\$ 1,752,772.00	-				14,700							14,700					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	45,000 (2 units)		55,000			90,000 (2 units)				327,000
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	977,000
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