

## 12-14 Lagrange St. - Estimated Capital Budget

*Preliminary estimates only - primarily addressing common areas*

*Porch/Fire escapes based on rough estimate only at this time, subject to contractor plans and bids*

### Development Expenses:

	Unit Cost	Units	Extension
Rebuild six rear porches & stairs	30,500	1	30,500
Railings for front stairs	300	2	600
Install six cellar windows / vents	300	-	-
Repair fire, smoke, CO detectors as needed	2,000	1	2,000
Trash cleanup	500	1	500
Replace eight gas-fired 50 gal water heaters	800	3	2,400
Allowance for interior repairs - vacant units	1,500	-	-
Allowance for appliances - vacant units	800	-	-
Vinyl flooring and treads on common stairs	500	-	-
New main door locks and closers	300	-	-
New Unit locks	100	5	500
Replace one glass slider unit	1,250	-	-
New lighting in hallways	50	4	200
Construction contingency		10.0%	<u>3,670</u>
		Total Construction	40,370
Construction management		10.0%	<u>4,037</u>
		Subtotal	44,407
		*Legal	4,000
		** Property Insurance	800
		Bond cost	750 (est)
Receivership Fee		8%	<u>-</u>
		Total Capital Cost \$	49,957

\* Based on attorney's estimate of \$500 per unit for liens and other cost

\*\* One year's insurance for capital costs only

Back property taxes as of:	2/19/2008 Unit 1	852.70
	2/19/2008 Unit 2	1,711.97
	2/19/2008 Unit 3	2,076.22
	2/19/2008 Unit 4	2,513.43
	2/19/2008 Unit 5	853.94
	2/19/2008 Unit 6	2,513.43
	2/19/2008 Unit 7	2,075.82
	2/19/2008 Unit 8	<u>2,514.17</u>
		15,111.68

12-14 Lagrange St. - Estimated Operating Budget

	With 3 Vacant	Partially Occupied	Fully Occupied	
	5	7	8	
2 BR units	3,750	5,250	6,000	
<b>Income</b>				
Gross Potential Income	45,000	63,000	72,000	
Vacancy & Collection Loss (VAC)	(4,500)	(6,300)	(7,200)	10%
Total Residential Income	40,500	56,700	64,800	
Laundry & Misc. Income	-	-	-	
Interest	225	315	360	
Commercial Income	-	-	-	
<b>Effective Gross Income</b>	<u>40,725</u>	<u>57,015</u>	<u>65,160</u>	

Notes

	First Six Months		Second Six Months		After Year One	
	5 Units		5 - 8 Units		8 units	
	Monthly	Total	Monthly	Total	Monthly	Annual
<b>Expenses</b>						
Audit Expense	26	156	26	156	42	500
Direct Payroll Expense (Mgr,Bkkpr,Custod)	94	563	94	563	150	1,800
1 Legal Expense	42	250	42	250	67	800
Management Fee (10%)	339	2,036	475	2,851	543	6,516
Security Expense	-	-	-	-	-	-
2 Maintenance Expense	1,000	6,000	1,000	6,000	400	4,800
3 Utilities - Electric	50	300	50	300	50	600
Utilities - Gas	-	-	-	-	-	-
4 Water and Sewer	236	1,418	284	1,701	378	4,536
5 Rubbish Removal	330	1,980	330	1,980	330	3,960
6 Real Estate Taxes	200	1,200	400	2,400	2,000	24,000
<b>Net Operating Expenses</b>	<u>2,317</u>	<u>13,903</u>	<u>2,700</u>	<u>16,201</u>	<u>3,959</u>	<u>47,512</u>
<b>Effective Gross Income</b>	3,394	20,363	4,751	28,508	5,430	65,160
NOE	<u>2,317</u>	<u>13,903</u>	<u>2,700</u>	<u>16,201</u>	<u>3,959</u>	<u>47,512</u>
<b>Net Operating Income</b>	<u>1,077</u>	<u>6,460</u>	<u>2,051</u>	<u>12,307</u>	<u>1,471</u>	<u>17,648</u>
<b>Debt service</b>	-	-	299	1,794	299	3,588
Net Cash Flow	<u>1,077</u>	<u>6,460</u>	<u>1,752</u>	<u>10,513</u>	<u>1,172</u>	<u>14,060</u>

**Deferred Capital Expenses - First six months**

Water Heaters	(1,600)	(2,400)
Stairway repairs / replacement	(500)	
New Unit Locks	(500)	(300)
Replace glass slider	(1,250)	
Repair hallway stairs and treads	(1,000)	

**Deferred Capital Expenses - Second six months**

Cellar Window Vents	(500)
Interior repairs (vacant units)	(3,000)
Appliances (vacant units)	(2,400)
New front stair units	(1,600)
New door closers	(300)
	<u>1,310</u>
	<u>313</u>

Rate 1.00%  
Term 15

- NOTES:
- 1 Legal cost for tenant collections / evictions
  - 2 Higher initially until work is done
  - 3 Common house meter only
  - 4 \$567 / unit / year for 2 BR units
  - 5 8 yd dumpster @ \$330 monthly
  - 6 Taxes at current level as condo units, are very high for this area. Can be added onto municipal lien if not paid. Current assessment runs about 28,000 annually