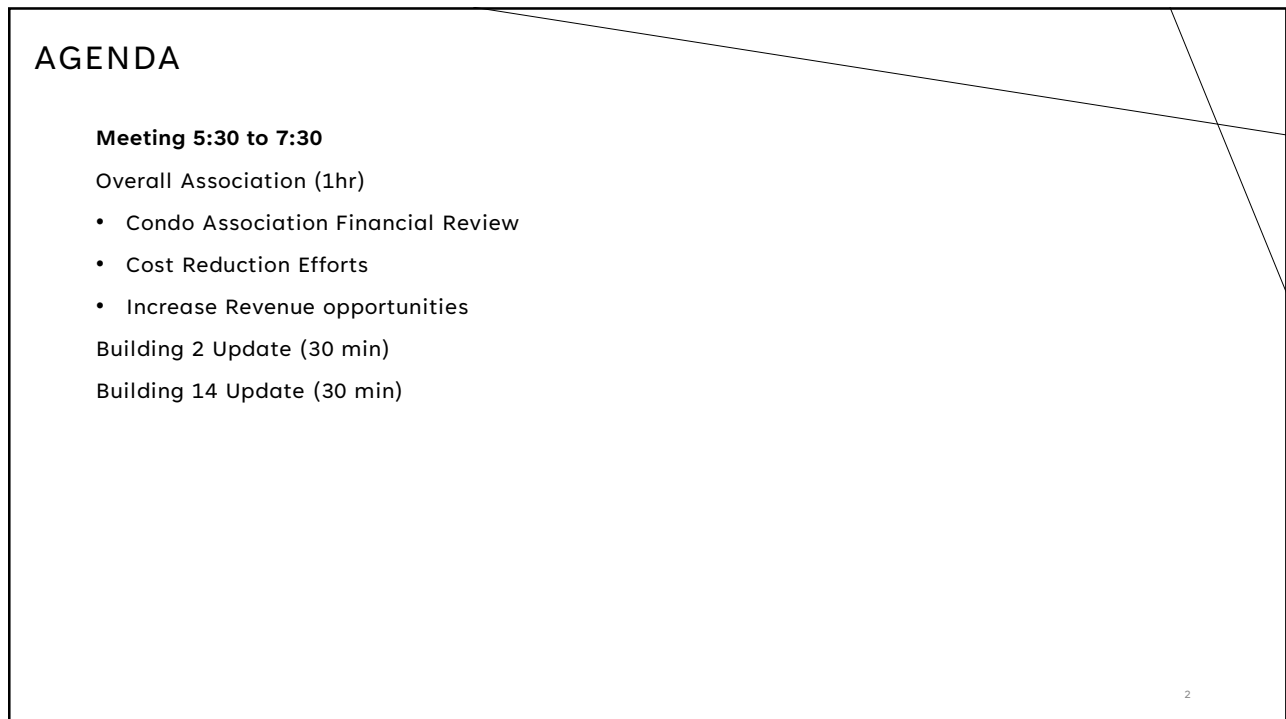




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CONDO ASSOCIATION FINANCIAL STATUS

5:30 to 6:30

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VICTORIAN CONDO 2025 BUDGET

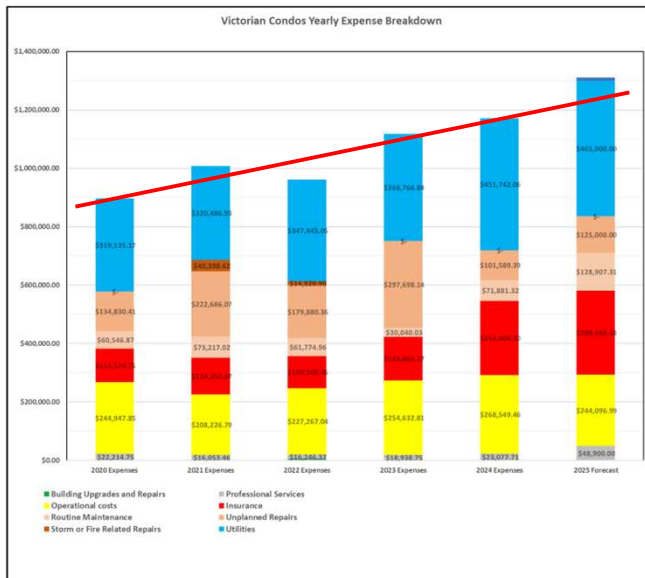
Major Category	2020 Expenses	2021 Expenses	2022 Expenses	2023 Expenses	2024 Expenses	2025 Forecast
Building Upgrades and Repairs	\$ 505.00	\$ 2,000.00	\$ 4,000.00	\$ -	\$ -	\$ -
Professional Services	\$ 22,214.75	\$ 16,053.46	\$ 16,246.37	\$ 18,938.75	\$ 23,077.71	\$ 48,900.00
Operational costs	\$ 244,947.85	\$ 208,226.79	\$ 227,267.04	\$ 254,632.81	\$ 268,549.46	\$ 244,096.99
Insurance	\$ 114,574.75	\$ 124,352.87	\$ 109,508.46	\$ 149,865.27	\$ 254,406.50	\$ 288,464.43
Routine Maintenance	\$ 60,546.87	\$ 73,217.02	\$ 61,774.96	\$ 30,040.03	\$ 71,881.32	\$ 128,907.31
Unplanned Repairs	\$ 134,830.41	\$ 222,686.07	\$ 179,880.36	\$ 297,698.14	\$ 101,589.39	\$ 125,000.00
Storm or Fire Related Repairs	\$ -	\$ 40,398.62	\$ 14,820.90	\$ -	\$ -	\$ -
Utilities	\$ 319,135.17	\$ 320,486.93	\$ 347,445.05	\$ 366,766.84	\$ 451,742.06	\$ 465,000.00
Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
Total Expenses	\$ 896,754.80	\$ 1,007,421.76	\$ 960,943.14	\$ 1,117,941.84	\$ 1,171,246.44	\$ 1,300,368.73

- Yearly QuickBooks data was reviewed from 2020 to September 2024 to develop trends
- Spend was categorized as per the table above as best as accurate as possible
- A five year trend was used to generate a 2025 forecast of expenses
- Some unplanned repairs were included in the 2025 forecast
- Current 15 dead units were assumed for the forecast
- \$1,300,000 forecasted (2025) budget equals \$108k per month required
 - Currently Monthly Condo Collection ~\$80k/month (or \$960k per year expected revenue prior to the 22% condo fee increase)
 - With 100% collection from 14 dead units approximately \$6-7k per month
- With the 22% increase fully in effect the expected revenue is \$1,171,000 per year

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VICTORIAN CONDO 2025 BUDGET



Overall Budget Forecast

- Increase of \$80,000 per year or \$400,000 for 5-year period
- Overall spend has increased 145%

Insurance

- Increased **251%** over 5 years or \$174k
- Does not include wind and hail which was voted down by owners

Utilities

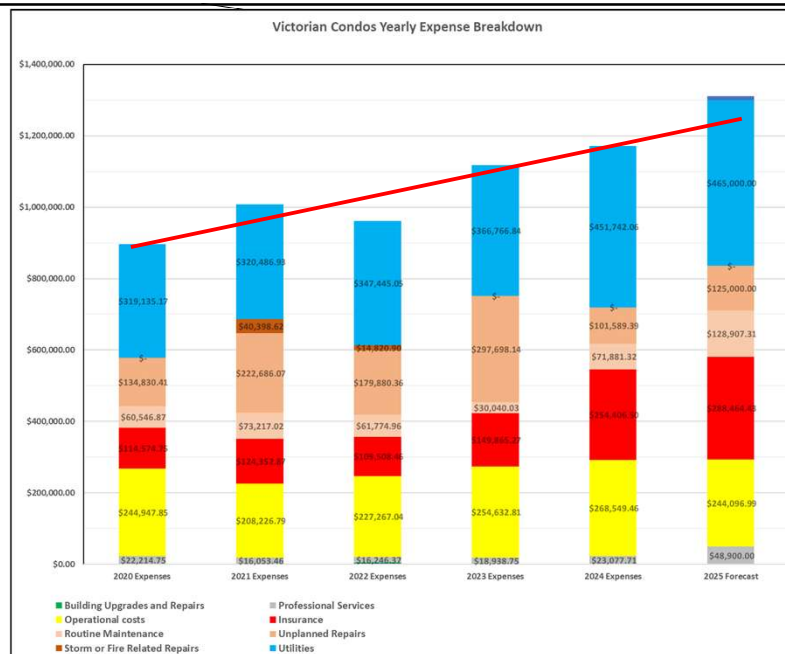
- Increased at \$12k/year for 5 year or **~145%** over 5 years
- Dictated by the use of owners and tenants

Operating Costs

- Projected to be have no significant increases from 2020
- Have not seen increases in payroll
- Effective cost cutting measures

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VICTORIAN CONDO 2025 BUDGET

Historic Condo Fees

- Normal Budgetary Costs (2025) are estimated to have increased by 45% since 2020 not accounting for any major repairs
- Condo Fees have increased 10% in May of 2023
- Condo Fees were recently increased by 22% in 2025
- Total Condo Fee increases totals 32% since 2020 or approximately 13% less than the estimated increase in budgetary costs

Current Budget and Condo Fees

- Increased Condo Fees are projected to generate ~\$1,200,000
- Ideal 2025 Budget is projected at \$1,300,000 with some major planned repairs
- Cost Cutting measures are in place and the effectiveness yet to be determined
- Unknown insurance cost required to be paid in October will require an **assessment**

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UTILITY COST REDUCTION EFFORTS

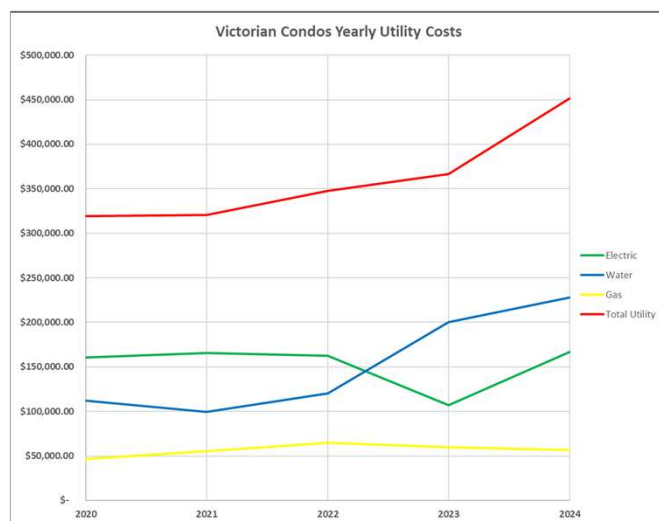
- Utilities are steadily increasing in cost
- **Huge focus on reducing utility costs needs to take place**
- Largest increase has been the water usage.

Water Utilization:

- Rigorous Unit inspections were completed in Dec 2024
- Large amounts of water were found to be wasted due to constantly running toilets and leaking faucet due to lack of owner maintenance

Electricity Utilization:

- Board is discussing central AC assistance programs with more to come this year
- Discussions to convert to central Heat pumps in all units and phase out two boilers, piping, and electricity reduction
- Discussion on energy efficient window and door replacement assistance.

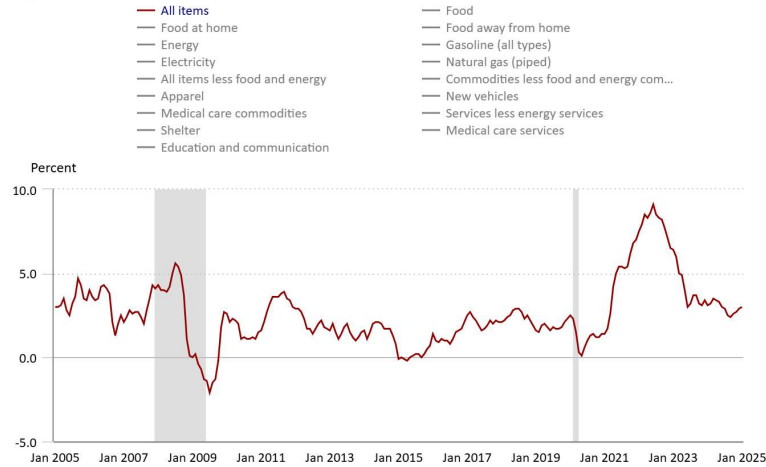


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CONSUMER PRICE INDEX (INDICATION OF INFLATION)

12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.



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- US Bureau of Labor Statistics shows approximately 7% annual inflation for every year from 2020 to 2024 totaling a minimum of 28-30% (non-compounded)
- **Owners should expect condo fees to at a minimum keep up with inflation plus to provide adequate financial reserves**
- Reserves for major repairs and unexpected costs have been exhausted after hurricane Ida and never replenished
- **Two options: cut costs or Increase Revenue**

COST REDUCTION EFFORTS

Currently Implemented (~\$35k/year):

- Cancellation of third party pool services
- Changes to Security
- Telecommunications

Routine Unit Inspections:

- Inspections have provided a reduction in utility costs
- Inspections look for smoke alarms, fire extinguishers, copy of door key, illegal electrical connections, plumbing leaks, spray for insects
- Inspections are performed every 3-6 months
- Owners are notified of deficiencies
 - Major water leaks are sometimes remediated if the issue causes excessive expenses to the association
 - Owners are given 1 week to repair then a second inspection is performed if deficiency is not remediated a fine of \$175 is applied per week
 - A third inspection is performed if the deficiency still exists the owners are charged material, labor, plus 25%

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INCREASED REVENUE EFFORTS

Utilizing Association staff to perform condo maintenance:

- We are capable of utilizing the existing our current staff for certain repairs which usually provides cost savings to the owner and additional revenue to the association
- Contact management for more details

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INCREASED REVENUE EFFORTS

Board is focusing on getting the Dead units in commerce and collecting payment on units that owe fees

Addressing Non-payment of Condo Fees:

- Association has ~15 dead units and several others that are not up to date on Condo Fees (~\$8k/month loss in condo fee equal to an 8-10% condo fee increase)
- Unpaid condo fees are absorbed by all those that pay regularly
- **Services on units that are not up to date on condo fees will be halted**
- **Placing liens on condos and are pursuing liens on other properties owned by an owner who owes condo fee.**
- **Some condos will be auctioned at Sheriff's sale**
- **Legal work is pending to transfer ownership of several units**
- **Some units will go up for bid to transfer ownership**
- **Pursuing ownership of condos by the association**

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POSSIBLE OPEN BID ON UNIT 487

- Board is working through the details to offer a settlement to purchase unit 487
- Plan is to have an open bid process
- Bid process will determine the amount of back condo fees that will be collected and to provide adequate funds to successfully execute the transfer of title
- **Only those who do not owe** the condo association will be eligible
- Remodeling will need to take place at owners' expense, in a way dictated by the board and is **still in discussion**.
 - Objective is to have the unit in commerce and to the future standards that the board is currently outlining
 - Updated electrical to copper (*working to lower insurance costs*)
 - High efficiency central AC heat pump (*electricity reduction and boiler maintenance*)
 - Energy efficient windows and doors throughout (*electricity reduction*)
 - Insulation as per building standards (*electricity reduction*)
- **Notify management if you are interested in bidding**
- **Unit will be made available for interested individuals to view at a given time**
- **Highest bidder will enter an agreement to purchase property from the owner with the assistance of the association.**
- **Condo Fee will be required to be prorated from the date of closing**
- **All bids will be made known after the transfer of title**

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UNIT 413 SHERRIF'S SALE

- Unit is going to auction soon
- Potential buyers can find information at the Jefferson Parish Sherrif's office

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POTENTIAL OWNERSHIP OF UNITS BY ASSOCIATION

- Board has been investigating owning and renting units especially those that have minimal chance to recover back condo fees through a sell process
- Had a legal review performed by the association attorney
- All rent collected would go to the association to offset cost increases, perform major repairs, and regain working capital

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ASSOCIATION SUMMARY

- Major repairs are estimated to be +/- \$500k over the next 7 years
 - Electrical panel update, repair, and replacement
 - Boilers Replacements and redundant systems
 - Roof replacements
 - Walkway repairs and replacement
 - Stairs and iron work replacement and repair
- The current condo fees are expected to cover the expenses for the 2025 budget
- Little to no reserve cash is expected to be generated in 2025
- The October insurance costs will be challenged to generate through normal condo fees

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CONDO ASSOCIATION OVERALL QUESTIONS

6:30 to 7:00

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VICTORIAN CONDO BUILDING #2 UPDATE

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VICTORIAN CONDO BUILDING #2 UPDATE

- Electrical fire occurred in the main breaker panel of Building #2 on January 11, 2025
- Damaged breakers, main panel, and feeders
- Chief electrical inspector required replacing all electrical panels and feeders
- Permitting process began immediately after the inspector provided workscope
- Currently electrical work is completed with a new main breaker panel, new individual unit panels, and new 100amp feeders to all units
- Waiting on final electrical inspection
- Sheetrock repair expected to begin next week
- Second floor occupants can move in after the power is turned on with the understanding that the sheetrock crew will need access to repair sheetrock in the closet around the breaker panel
- First floor requires more sheetrock work due to the location of the feeders

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VICTORIAN CONDO BUILDING #2 QUESTIONS

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VICTORIAN CONDO BUILDING #14 UPDATE

7:00 to 7:30

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VICTORIAN CONDO BUILDING #14 UPDATE

- Gutting was initiated by Belfor until the property, they supplied an excessively high price estimate and were released
 - Ongoing legal suite with Belfor
- Remaining gutting was completed by a different contractor at a fraction of the cost proposed by Belfor
- All building permits were applied for on or around June of 2024
- Upon parish inspection of the property, it was found that Belfor installed a temporary power supply pole without the proper permits
 - This resulted in all applied permits to be removed from the system, cost to the association to file for removal of the temporary pole, pay the electrician, and pay a citation.
 - Resulted in significant permitting delays to obtain permits to continue remediation work
- After receiving building permits work continued with framing and roof repair being completed
- Mold and Soot remediation was completed by Gaurantee Services (see management for a copy of the report)
- Initially the building was intended to partially rewired affected units, however, after the required upgrades by the permitting department and repairs to the damaged electrical wires from the gutting efforts a full rewire was required including hard wired smoke detectors and new feeders to increase amp rating to 100amps as per code
- Several shower controls and valves were found leaking and required to be changed out to stop water from infiltrating the building, decision was made to change all valves since most were leaking

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VICTORIAN CONDO BUILDING #14 UPDATE

- To meet new fire codes all one-bedroom units were required to have fur downs installed for duct work
- Additional closets were required in some units for the AC air handler
- After tallying the number of tubs removed during the gutting process it was decided to replace all tubs
- Rough in electrical is completed in all units with the third-floor units passing the electrical and building inspections.
- AC vendor has been selected to install all units with central AC heat pumps, eliminating the need for the boiler system on the building
 - After comparing the cost to repair and replace existing boiler air handlers, decision was made to install central AC units
 - 16 Seer Hisense heat pumps placed in the closets of the 1-bedroom units
 - AC units are sized based on the heat load calculation supplied by AC Ambulance
- Sheetrock was set to deliver in the coming days for the third floor units and two second floor units
- Thursday March 6th at 1pm, an owner brought multiple inspectors based on a complaint filed by an owner, to building 14. This resulted in several citations and all work to be stopped.
 - The result of this action has added cost to the association and owners, and also will delay work and mechanical permitting by at least 6-8weeks delay
 - Going forward owners may go to their unit only, any unauthorized personnel found in a unit they don't own will be prosecuted

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VICTORIAN CONDO BUILDING #14 MAJOR HURDLES

- Belfor was found to be price gouging the owners and association
 - On going litigation, uncertainty of the result
- Belfor installing a temporary power pole caused all permits to be pulled from the system resulting in at least a 2-month delay and associated costs
- Jefferson Parish Permitting reviews and losing applications on some units added additional delays
 - Last building permit was obtained in March of 2025 for Unit 575
- Owner related issues resulting in +/-2 months delay going forward
 - Dealing with unnecessary lawsuits, attorney general complaints, and finally, complaints that required inspectors to stop all work on the building

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VICTORIAN CONDO BUILDING #14 QUESTIONS

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