

May 2, 2006

RE: 1626 East Lake Street

Dear Council Members and other Interested Parties,

Please accept our apology in regards to our misinterpretation of what plans were to be submitted to staff before the April 19th committee meeting. It was our understanding that the plans in question were the engineering and drawings (architectural plans that the committee required us to gain permission to use and submit) that were in fact submitted on March 28th. We were also under the impression that the related issues were resolved and we were in compliance with the order when we were issued, and paid for, our permit to begin work on the subject property. So, you can understand that we were quite surprised to hear that there is still discussions about demolishing the building we are trying to rehabilitate.

That being said, please find below our rehabilitation plan for the property located at 1626 East Lake Street. As I mentioned earlier, the Engineering and Plans for the replacement roof were submitted on March 28th, 2006 and a permit was issued on April 4th, 2006 for the work to commence at the subject property.

The rehabilitation plan, along with cost estimates, are as follows:

Electric wiring \$28,000
Plumbing \$22,000
Heating and Cooling \$70,000
Masonry \$ 6,500
Lumber and Windows \$47,000
Trash removal \$ 7,000
Roof \$63,000

Total \$243,500

Replacement of the roof is our first priority in the rehabilitation of this property. It will take approximately 20 days for the necessary material (steel) to arrive to begin the replacement of the roof. Once the roof is in place, other phases of rehabilitation can commence simultaneously. When finished, the building will have state-of-the-art mechanicals and a fresh exterior including completely new windows and doors throughout the whole property. As individual businesses will occupy the building with unique visions for the space, much of the interior will remain as unfinished until such demands are defined.

The cost of rehabilitation will be paid for out of our current reserves as well as through cash flows from our other properties. The interior of the building will be finished primarily through leasehold improvements performed by the occupying businesses.

We fully expect the whole project to be completed within 120 days of starting. Meaning that if we were allowed to commit our resources to this project without the continuing threats of demolition, this building would be returned to the community as a valuable center for commerce by the end of August. Thank you.

Respectfully,

Floyd Olson
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