

Capital Expenditures (CapEx) Summary

Prepared for: Jeff Hovis

Note: All costs are approximate and based on owner records.

1219 South 4th Street

Renovation Scope: Partial rental renovation plus exterior improvements.

Years Completed: Roof: 2022; Interior/Exterior Rehab: 2024

- Major Capital Items & Work Completed:
 - 2022 – Full roof replacement, including removal of old roofing material and installation of new shingles.
 - 2024 – Interior rental rehab, including drywall patching, trim repairs, and general interior punch-list items.
 - Repaired or replaced interior doors and door hardware as needed for smooth operation and security.
 - Replaced or upgraded select light fixtures and switches as needed.
 - Plumbing repairs as needed (leaks, shut-off valves, fixtures).
 - Electrical device repairs as needed (outlets, switches, cover plates).
 - Full interior repaint in common and living areas as part of turnover prep.
 - Exterior cleanup and full exterior repaint to improve curb appeal.

Approximate Total CapEx: \$35,150

145 & 149 Lullwater Drive “Liberty Loft’s & Condominiums”

Renovation Scope: Ongoing rental rehabs and unit upgrades across multiple apartments. Focus on modernizing finishes, improving durability, and bringing units up to strong rental standard.

Years Completed: 2019–2024

145 Lullwater Drive

Representative Unit Work:

- Unit 102 (2024) – Approx. \$11,000 in renovations including upgraded kitchen cabinets, durable flooring, paint, and general interior improvements.
- Unit 202 – New flooring, full repaint, wall repairs as needed, and upgraded appliances for rental durability.
- Unit 203 – Flooring replacement, upgraded appliances, and hot water heater replacement; minor plumbing and electrical adjustments as needed.
- Unit 204 – New flooring, updated lighting and fixtures, new appliances, and hot water heater replacement.
- Unit 206 – Flooring, lighting, appliance upgrades, and hot water heater replacement; minor plumbing and electrical repairs as needed.
- Units 207 & 208 – Flooring and rental-ready upgrades as needed (paint, fixtures, minor repairs).

149 Lullwater Drive

Representative Unit Work:

- Unit 201 – New flooring and interior paint; touch-up repairs to walls, trim, and fixtures for a clean rental-ready finish.
- Unit 202 (2019) – Rental rehab of approximately \$5,200 including full flooring replacement and interior upgrades.
- Unit 203 – Flooring replacement and interior upgrades (paint, fixtures, minor repairs).
- Units 204, 205, 206 – Flooring replacement and cosmetic upgrades; each unit generally received \$2,500–\$3,900 in improvements including flooring, lighting, and fixture updates.

Portfolio Note: The Low Water buildings have received staggered, unit-by-unit CapEx over several years, focused on flooring, kitchens, baths, appliances, and mechanical items to keep the property competitive in the rental market.

1112 Floral Parkway

Renovation Scope: Full rental rehab / major CapEx project.

Years Completed: 2025

- Major Capital Items & Work Completed:
 - Roof repairs as needed, including flashing and gutter repairs to address prior moisture concerns.
 - Chimney repair around all sides to improve integrity and performance.

- New drywall installed on ceilings where needed due to age/condition.
- First-floor renovation including removal of dated finishes and replacement with modern, durable materials.
- Electrical and plumbing repairs as needed, addressing older components and known issues.
- New interior finishes throughout, including paint, trim, flooring, and fixtures.
- Window replacements and upgrades as needed to improve comfort and efficiency.
- Overall scope consistent with a full rental rehab intended to extend useful life and reduce near-term repair needs.

Approximate Total CapEx: \$82,500

1421 Wellington Avenue

Renovation Scope: Cosmetic rental upgrade.

Years Completed: 2017

- Major Capital Items & Work Completed:
 - Replacement of flooring with more durable, easy-to-maintain surfaces.
 - Tile work in key areas such as bathrooms and/or kitchen splash zones.
 - Bathroom upgrades including new vanity, fixtures, and finishes.
 - Interior paint, trim touch-ups, and lighting updates as needed.

Approximate Total CapEx: \$21,000

1427 Wellington Avenue

Renovation Scope: Full interior rental renovation of a larger unit.

Years Completed: Primarily 2024

- Major Capital Items & Work Completed:
 - Installation of new tile and hard-surface flooring throughout high-traffic areas for durability.

- Renovation of two bathrooms including new vanities, fixtures, flooring, and surrounds.
- Kitchen upgrades including cabinets, counters, and appliances.
- Interior repaint and lighting fixture updates to modernize the unit.
- General repairs to doors, hardware, and trim to ensure smooth operation and clean presentation.

Approximate Total CapEx: \$18,500

1902 Carolina Beach Road

Renovation Scope: Recent full building renovation by prior owner, plus additional owner CapEx.

Years Completed: Building renovation by church: 2023; Owner CapEx: 2023

- Major Capital Items & Work Completed:
 - Commercial roof replacement completed in 2023 (approx. \$15,000).
 - Additional property repairs including miscellaneous exterior and interior work as needed.
 - Ongoing maintenance-oriented CapEx intended to protect the envelope and interior finishes.

Approximate Total CapEx: \$35,400

1906 Carolina Beach Road

Renovation Scope: Full rental renovation.

Years Completed: 2024

- Major Capital Items & Work Completed:
 - New kitchen including cabinets, counters, and layout refinements for better function.
 - Bathroom upgrades with new fixtures, finishes, and tile.
 - New flooring throughout (mix of hard-surface and appropriate materials for each space).

- HVAC system replacement for improved comfort and efficiency.
- General interior paint, trim, lighting, and hardware updates.

Approximate Total CapEx: \$32,500

1910 Carolina Beach Road

Renovation Scope: Full renovation completed in two phases.

Years Completed: 2021 and 2024

- Major Capital Items & Work Completed:
 - Kitchen renovation with new cabinets, counters, and layout improvements.
 - Bathroom renovations including new fixtures, surrounds, and flooring.
 - Installation of new subflooring in areas that required structural improvement.
 - HVAC system installation/replacement to modern standards.
 - New flooring throughout and interior paint to create a cohesive, updated look.
 - General repairs to plumbing, electrical devices, and interior components as needed.

Approximate Total CapEx: \$56,500

157 Northern Boulevard – Units A & B

Renovation Scope: Full rental rehabs of both units.

Years Completed: 2025

- Major Capital Items & Work Completed:
 - Unit B – Approx. \$21,000 renovation including new kitchen finishes, cabinets, counters, durable flooring, and bathroom updates.
 - Unit B – Interior repaint, lighting upgrades, door and hardware adjustments, and general repairs to bring unit to modern rental standard.
 - Unit A – Approx. \$15,000 in upgrades including kitchen cabinet updates, new flooring, fresh paint, and fixture replacements as needed.
 - Both units – Turnkey rental finish level intended to reduce short-term maintenance and increase rentability.

157 Northern Boulevard – Main House

Renovation Scope: Cosmetic rental upgrade plus HVAC replacement.

Years Completed: Interior: 2017; HVAC: 2024

- Major Capital Items & Work Completed:
 - 2017 – New flooring installed in living areas and/or bedrooms for durability.
 - 2017 – Kitchen cabinet updates to refresh appearance and function.
 - 2024 – Replaced HVAC system including outdoor condenser and air handler under the house.
 - Ongoing minor repairs, paint touch-ups, and fixture swaps as needed for turnovers.

Approximate Total CapEx: \$6,500 (interior upgrades, 2017)

305 Willard Street

Renovation Scope: Full Rental Rehab

Years Completed: 2024

- Major Capital Items & Work Completed:
 - Comprehensive interior rehab, including removal of dated finishes and installation of new, durable materials.
 - New or updated kitchen with cabinets, counters, sink, and fixtures.
 - Bathroom improvements, including new vanity, plumbing fixtures, accessories, and hard-surface finishes.
 - New flooring throughout (LVP, tile, or similar) for durability and easy maintenance.
 - Interior repaint of walls, ceilings, and trim for a cohesive, clean look.
 - Door repairs and replacements as needed, including new door hardware and locks.
 - Lighting upgrades, including new fixtures and replacement of worn devices as needed.
 - Plumbing and electrical repairs as needed, focused on functionality and safety.
 - General carpentry and punch-list items to deliver a move-in-ready rental.

- See photos on Zillow

Approximate Total CapEx: \$89450

407 Red Cross – Apartments A, B, C, D

Renovation Scope: Multi-unit property with new HVAC and individual unit upgrades.

Years Completed: HVAC: within last 2–3 years; Unit rehabs: 2017–recent

- Major Capital Items & Work Completed:
 - All units – New HVAC systems installed within the last 2–3 years, improving comfort and reliability.
 - Apartment A – Approx. \$7,900 invested in updated kitchen and bathroom finishes, flooring, fixtures, and paint.
 - Apartment B – Approx. \$7,900 invested in kitchen and bathroom upgrades similar in scope to Unit A.
 - Apartment C – New kitchen and bathroom completed in 2017 with updated finishes and fixtures.
 - Apartment D – No major recent interior renovation; maintained with routine repairs as needed.
 - Exterior painting in 2021 and repairs
 - New Roof was 2022 30-Year Arch Shingle

509 Walnut Street

Renovation Scope: Two-unit property; major renovation to downstairs unit in historic district.

Years Completed: Downstairs unit: 2025

- Major Capital Items & Work Completed:
 - Downstairs unit – Approx. \$35,600 renovation focused on durable rental finishes.
 - Installation of new LVP flooring throughout living areas for easy maintenance.
 - New tile flooring and/or surrounds in bathrooms and showers as needed.
 - New kitchen cabinets and related finishes installed as part of the rehab.
 - Window upgrades or replacements as needed for the downstairs unit.

- Property is in the historic district; exterior façade has not been significantly altered.

Approximate Total CapEx: \$35,600

2055 Monroe Street – Rear House

Renovation Scope: Full rental renovation with new comfort systems.

Years Completed: Recent (within last few years)

- Major Capital Items & Work Completed:
 - Installation of three mini-split systems to provide efficient heating and cooling.
 - Bathroom upgrades including new toilets, fixtures, and finishes.
 - Installation of a new or substantially upgraded kitchen (cabinets, counters, sink, fixtures).
 - New flooring throughout most or all of the living spaces.
 - General paint, door, hardware, and lighting improvements to meet current rental standards.

Approximate Total CapEx: \$18,500

2053 Monroe Street – Front House

Renovation Scope: Enhanced rental cleanup and repair beyond a typical turnover.

Years Completed: 2024

- Major Capital Items & Work Completed:
 - Wall repairs including patching and smoothing prior to repainting.
 - Interior repaint and touch-ups to present a clean rental appearance.
 - Repairs underneath the house including plumbing work as needed.
 - General fixture, hardware, and minor carpentry repairs beyond normal turnover scope.

Approximate Total CapEx: \$4,500

2112 Burnett Boulevard – Unit A

Renovation Scope: Targeted kitchen and bathroom renovation.

Years Completed: Early 2024

- Major Capital Items & Work Completed:
 - New kitchen installation including cabinets, counters, and fixtures.
 - Bathroom renovation with updated vanity, plumbing fixtures, and finishes.
 - Interior paint and flooring improvements associated with kitchen and bath work.
 - Minor electrical and plumbing adjustments as needed for the new layouts.

Approximate Total CapEx: \$14,500

2114 Burnett Boulevard

Renovation Scope: No significant recent CapEx reported.

- Major Capital Items & Work Completed:
 - Property is maintained with routine repairs and standard make-ready work as needed between tenants.

2115 Burnett Boulevard

Renovation Scope: Full kitchen and bathroom renovation plus interior upgrades.

Years Completed: 2025

- Major Capital Items & Work Completed:
 - New kitchen including cabinets, counters, sink, and fixtures.
 - Bathroom renovation with new vanity, fixtures, flooring, and accessories.
 - Interior repaint in affected areas and associated trim/door updates.
 - Lighting, hardware, and minor electrical/plumbing repairs as needed.

Approximate Total CapEx: \$19,526

2117 Burnett Boulevard

Renovation Scope: Kitchen renovation and related interior upgrades.

Years Completed: Recent (within last few years)

- Major Capital Items & Work Completed:
 - New kitchen installation including cabinets, counters, and fixtures (approx. \$7,240).
 - Interior paint and flooring adjustments in kitchen area as needed.
 - Minor electrical and plumbing adjustments associated with the kitchen work.

Approximate Total CapEx: \$7,240

Portfolio-Wide CapEx Summary

Total Approximate Capital Expenditures Across Portfolio: \$562,308 (approx.)

This represents total capital improvements across all included properties, reflecting major rental rehabs, system upgrades, flooring, kitchens, baths, HVAC, and general CapEx investments made over multiple years to modernize and stabilize the portfolio.

Additional Notes: Several properties within the portfolio still offer value-add potential, with clear opportunities to capture loss-to-lease through continued rent optimization. The Wilmington market has demonstrated strong momentum and appreciation, positioning this portfolio for further upside in both income and long-term valuation.