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RESERVE FUND STUDY
Oceanview
Halifax County Condominium Corporation No. 43
281 Windmill Road
Dartmouth, Nova Scotia

December 2004

Prepared For:

20/20 PROPERTIES INC.

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Project No.: NSD19243

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1.0 EXECUTIVE SUMMARY

Jacques Whitford Limited (Jacques Whitford) was retained by Mr. Dario Lorenzo, of 20/20 Properties Inc., on behalf of the Halifax County Condominium Corporation No. 43 to perform a Reserve Fund Study of the property “Oceanview”, situated at 281 Windmill Road, Dartmouth, Nova Scotia.

This condominium complex consists of a four-storey building with a total of eighty-four residential condominium units and two underground stories of parking with no deeded parking units.

Reserve Fund Status

As of February 16, 2002, Bill 64 amendments to the Nova Scotia Condominium Act make it mandatory for all existing and new condominium corporations consisting of ten or more units to have a reserve fund study. Each study is to be updated at a minimum of once every 5 years and completely re-evaluated every 10 years.

To meet the anticipated costs of future repair and replacement of the common element components, annual contributions to the Reserve Fund will be required. We have presented five funding scenarios for consideration by the Board of Directors of this Condominium Corporation. In each of these funding scenarios, we have assumed that the interest is earned at a rate of 4.18% (based on the five year average of Bank of Canada Bank rate), that the interest is tax free and is reinvested in the fund, and that annual inflation rate is 2.68% (based on the average yearly inflation rates for Nova Scotia over the past five years as recorded by Statistics Canada).

We recommend that the Board adopts funding scenario number 3 although the level of contribution outlined in each funding scenario will be adequate to cover the costs for work that is anticipated for repair and replacement of the common elements over the next 25 years. The interim update that is required in 2010 will determine if any changes to the funding scenario that is approved by the Board of Directors is required.

The Reserve Fund Certificate, Funding Scenarios and a summary of anticipated work that will be required over the next 25 years are attached to the Executive Summary.

In our opinion, the recommendation of this Reserve Fund Study meets the intent of the new legislation.

RESERVE FUND STATUS CERTIFICATE

CORPORATION: Halifax County Condominium Corporation #43

ADDRESS: 281 Windmill Road, Dartmouth, Nova Scotia

DATE: December 2004

RESERVE FUND BALANCE:

This is an existing Condominium Corporation. The opening balance of the Reserve Fund for the fiscal year 2005 (from January 1, 2005 to December 31, 2005) is \$42,000.00.

RECOMMENDED ANNUAL CONTRIBUTION:

Five Funding Scenarios have been presented for consideration of the Board of Directors of this Condominium Corporation. In our opinion, based on the current model, each one of the Funding Scenarios presented should be adequate to meet the recapitalization requirements of this condominium corporation for the next 25 years.

Our opinion of annual reserve fund contributions are based on estimates of life expectancy of the common element components, costs for repairs or replacement of these components, and the effects of interest and inflation rates. Due to numerous factors that can affect the required annual contribution, we recommend that the Reserve Fund Study be updated annually to reflect actual factors. A mandatory update of this report will be required in 2010.

ANTICIPATED WORK OF YEARS 2005 TO 2030:

The anticipated cost and timing of work that will be required over the next 25 years is as outlined in the attached – Reserve Fund Certificate – Schedule 1 – Anticipated Work

ADEQUACY OF THE RESERVE FUND:

In our opinion, if contributions are made as recommended in any of the five Funding Scenarios, the fund should be adequate to offset the expenditures for repair or replacement during the next twenty-five years. Future mandatory updates of this Study will confirm required funding levels.

FOLLOW UP

We have provided our opinion of annual reserve fund contributions based on estimates of life expectancy of the common element components, costs for repairs or replacement of these components, and the effects of interest and inflation rates. Due to numerous factors that can affect the required annual contribution (such as inflation, interest rates, actual timing of work and actual cost of work), we recommend this report be updated annually to reflect changes to assumptions made in this Reserve Fund Study.

LIMITING CONDITIONS

For limiting conditions associated with this report, please refer to Section 3 of this Report.

**RESERVE FUND CERTIFICATE
SCHEDULE 1
ANTICIPATED WORK**

	Common Element 20/20 Properties Inc.	Year of Construction or Repair	Remaining Life Expectancy	Anticipated Year for Replacement	Adjusted 2005 Replacement Cost
6.1	SITE				
6.1.1	Asphalt Paving	1986	8	2013	\$ 12,000
6.1.1	Asphalt Paving Repair Allowance	1986	2	2007	\$ 5,000
6.1.2	Asphalt Curbs	1986	1	2006	\$ 3,000
6.1.3	Concrete Walkways Repair	1986	0	2005	\$ 1,500
6.1.4	Retaining Walls Repairs	1986	1	2006	\$ 1,000
6.1.5	Landscaping	1986	30	2035	\$ -
6.2	PARKING				
6.2.1	Parking Structure	1986	81	2086	\$ -
6.2.2	Garage Door	2001	2	2007	\$ 4,000
6.2.3	Painting	2005	15	2020	\$ 25,000
6.3	BUILDING EXTERIOR AND STRUCTURE				
6.3.1	Foundation and Structure	1986	81	2086	\$ -
6.3.2	Foundation and Structure Contingency	1986	5	2010	\$ 22,500
6.3.3	Exterior Brickwork - Repair	1986	10	2015	\$ 5,000
6.3.3	Exterior Siding - V-Groove Cedar Siding	1986	5	2010	\$ 87,500
6.3.4	Caulking Materials	1986	0	2005	\$ -
6.3.5	Entry Doors Hardware Replacement	1986	5	2010	\$ 2,000
6.3.6	Balcony Doors	1986	10	2015	\$ 36,000
6.3.7	Windows	1986	13	2018	\$ 160,000
6.3.8	Balcony	2005	20	2025	\$ 100,000
6.3.9	Exterior Painting	2005	7	2012	\$ 30,000
6.3.10	Asphalt Shingles	2005	20	2025	\$ 50,000
6.3.11	Downspouts and Gutters	1986	1	2006	\$ -
6.4	COMMON INTERIOR				
6.4.1	Lobby and Corridor Walls	1986	0	2055	\$ -
6.4.2	Painting - Corridors and Lobby	2002	0	2014	\$ 24,000
6.4.3	Painting - Stairwells	1986	50	2017	\$ 7,000
6.4.4	Carpet	2000	9	2010	\$ 65,000
6.4.5	Vinyl Tile	1986	12	2006	\$ 5,000
6.4.6	Ceramic Tile	2004	5	2040	\$ -
6.4.7	Suite Entrance Doors	1986	1	2015	\$ 10,200
6.4.8	Elevator Finishes	2004	35	2035	\$ -
6.4.9	Common Service Doors	2004	10	2024	\$ 4,000
6.5	MECHANICAL EQUIPMENT				
6.5.1	Sanitary System	1986	31	2036	\$ -
6.5.2	Domestic Water Supply	1986	31	2036	\$ -
6.5.3	Hot Water Heaters	2003	6	2011	\$ 4,000
6.5.4	Sump Pumps	2003	5	2010	\$ 4,000
6.5.5	Sprinkler System	1986	31	2036	\$ -
6.5.6	Ventilation	1986	0	2005	\$ 5,000
6.5.7	Mechanical Contingency	1986	5	2010	\$ 2,000
6.6	ELECTRICAL EQUIPMENT				
6.6.1	Power Supply	1986	31	2036	\$ -
6.6.2	Electrical Distribution	1986	31	2036	\$ -
6.6.3	Heat - Electric Coils	1986	0	2005	\$ 6,000
6.6.4	Corridor Lighting	1986	11	2016	\$ 10,000
6.6.5	Parking Garage Lighting	1986	11	2016	\$ 10,000
6.6.6	Emergency Lighting	1986	11	2016	\$ -
6.6.7	Fire Alarm System	1986	21	2026	\$ -
6.6.8	Enterphone	2001	16	2021	\$ 4,000
6.6.9	Electrical Contingency	1986	3	2008	\$ 1,500
6.7	ELEVATOR				
6.7.1	Elevator Modernization	2004	8	2013	\$ 20,000
	ANNUAL COST 2005 DOLLARS				
	START YEAR		2005		

Funding Scenario #3 - Contribution at constant rate of \$57,500 throughout term with allowances for interest and inflation. Interest remains in Reserve Fund.

CLIENT 20/20 Properties Inc.

PROJECT NO. NSD19243

DATE Dec-04

In this scenario the interest remains in the Reserve Fund as a buffer and is not credited to contributions.
This table indicates the recommended annual contributions and includes the effects of interest and inflation.

FISCAL YEAR	OPENING RESERVE FUND BALANCE	SEE TABLE B		RECOMMENDED ANNUAL CONTRIBUTION	INTEREST EARNED	CLOSING RESERVE FUND BALANCE
		ESTIMATED EXPENSES UNINFLATED	ESTIMATED EXPENSES INFLATED			
2005	\$ 42,000	\$ 12,500	\$ 12,500	\$ 57,500	\$ 2,696	\$ 89,696
2006	\$ 89,696	\$ 9,000	\$ 9,241	\$ 57,500	\$ 4,758	\$ 142,713
2007	\$ 142,713	\$ 9,000	\$ 9,489	\$ 57,500	\$ 6,969	\$ 197,693
2008	\$ 197,693	\$ 1,500	\$ 1,624	\$ 57,500	\$ 9,431	\$ 263,000
2009	\$ 263,000	\$ 43,000	\$ 47,798	\$ 57,500	\$ 11,196	\$ 283,898
2010	\$ 283,898	\$ 184,500	\$ 210,584	\$ 57,500	\$ 8,667	\$ 139,482
2011	\$ 139,482	\$ 4,000	\$ 4,688	\$ 57,500	\$ 6,934	\$ 199,228
2012	\$ 199,228	\$ 30,000	\$ 36,101	\$ 57,500	\$ 8,775	\$ 229,401
2013	\$ 229,401	\$ 37,000	\$ 45,718	\$ 57,500	\$ 9,835	\$ 251,019
2014	\$ 251,019	\$ 30,000	\$ 38,062	\$ 57,500	\$ 10,899	\$ 281,355
2015	\$ 281,355	\$ 75,200	\$ 97,966	\$ 57,500	\$ 10,915	\$ 251,804
2016	\$ 251,804	\$ 20,000	\$ 26,753	\$ 57,500	\$ 11,168	\$ 293,719
2017	\$ 293,719	\$ 11,000	\$ 15,109	\$ 57,500	\$ 13,163	\$ 349,274
2018	\$ 349,274	\$ 161,500	\$ 227,766	\$ 57,500	\$ 11,041	\$ 190,049
2019	\$ 190,049	\$ 38,000	\$ 55,028	\$ 57,500	\$ 7,996	\$ 200,516
2020	\$ 200,516	\$ 117,000	\$ 173,970	\$ 57,500	\$ 5,947	\$ 89,994
2021	\$ 89,994	\$ 4,000	\$ 6,107	\$ 57,500	\$ 4,836	\$ 146,223
2022	\$ 146,223	\$ 5,000	\$ 7,838	\$ 57,500	\$ 7,150	\$ 203,034
2023	\$ 203,034	\$ 6,000	\$ 9,658	\$ 57,500	\$ 9,487	\$ 260,363
2024	\$ 260,363	\$ 32,000	\$ 52,891	\$ 57,500	\$ 10,979	\$ 275,951
2025	\$ 275,951	\$ 190,000	\$ 322,456	\$ 57,500	\$ 5,997	\$ 16,992
2026	\$ 16,992	\$ 38,000	\$ 66,220	\$ 57,500	\$ 528	\$ 8,801
2027	\$ 8,801	\$ 5,000	\$ 8,947	\$ 57,500	\$ 1,383	\$ 58,737
2028	\$ 58,737	\$ 1,500	\$ 2,756	\$ 57,500	\$ 3,599	\$ 117,080
2029	\$ 117,080	\$ -	\$ -	\$ 57,500	\$ 6,096	\$ 180,676
TOTALS		\$ 1,064,700	\$ 1,489,271	\$ 1,437,500	\$ 190,446	

TERM - YEARS 25

START YEAR 2005

OPENING BALANCE \$ 42,000

INTEREST RATE 4.18%

INFLATION RATE 2.68%

ANNUAL CONTRIBUTION \$ 57,500

CONTRIBUTION INFLATION RATE 0.00%

NOTES:

1. No inflation in construction costs have been assumed until the beginning of year 2.
2. Interest calculations are based on average account balances for each year.
3. Recommended annual contribution level is based on the requirement for maintaining a Reserve Fund Balance that is always positive.

2.0 RESERVE FUND REQUIREMENTS

2.1 Condominium Act Requirements

As of February 16, 2002, Bill 64 amendments to the Nova Scotia Condominium Act make it mandatory for all existing and new condominium corporations consisting of ten or more units to have a reserve fund study. The reserve fund study is an integral part of the condominium corporation's registration process.

The reserve fund study is defined by the provincial statutes as "a study undertaken to determine a funding plan that adequately offsets expenditures for major repair or replacement of components". The component is defined as an individual item:

- that is the responsibility of the corporation, and
- for which major repair or replacement costs are anticipated to be incurred during its useful life, and
- for which costs of repair or replacement will not be covered as part of the annual operating or maintenance budget.

Any fund set up for the purposes outlined above is deemed to be a Reserve Fund. No part of a Reserve Fund shall be used except for the purposes for which the fund was established. The Reserve Fund constitutes an asset of the corporation and shall not be distributed to any owner except upon termination of the government of the property pursuant to the Act.

The Act requires that a comprehensive reserve fund study be undertaken every 10 years and that updates be performed at 5-year intervals or at any time that there is significant change to the assets of the corporation.

The Act states that a comprehensive reserve-fund study must consist of:

- A statement of assumptions regarding inflation, interest, maintenance and affordability that were made in making the report.
- A funding plan based on a physical analysis and financial analysis that shows the amount of annual contribution required to be paid into the reserve fund to adequately offset expenditures for the major repair or replacement of the components
- The opinion of the person preparing the study that the fund should be adequate to offset the expenditures for the major repair or replacement of the components if the corporation makes contributions as recommended in the study.

2.2 Extract From Declaration

The following are extracts from the declaration. These sections form the basis for assessment of common element expenses and define the responsibility between the Corporation and the unit owners with regards to items of maintenance and repairs.

Article 1 – Introductory

1.04 Boundaries of Units

Each unit shall comprise the area bounded:

A. Horizontally:

1. On all levels, by the exterior surface of the dry wall sheeting where such drywall has been installed and otherwise by the exterior surfaces of the sprayed plaster and the extensions of the planes of such surfaces across windows, doors, and other openings.

B. Vertically:

1. On all levels, by the upper surface of the concrete floor slab or by the upper surface of the floor joists and by the upper surface of the sprayed plaster on the ceiling where such sprayed plaster has been installed and otherwise by the upper surface of the dry wall sheeting, and where the floor projects beyond the horizontal boundaries, the lower surface of the wood floor decking or concrete slab on the projecting part.

C. Notwithstanding the foregoing, the unit shall not include:

1. Any load-bearing walls, columns or beams within the boundaries of the unit.
2. Such pipes, wires, cables, conduits, ducts, flues, shafts, public utility lines and other horizontal or vertical service facilities which are used for the distribution of power, water, drainage and other services within the building and that are within the boundaries of the unit; but the unit shall include the fixtures, outlets, and other facilities with respect to such service facilities which are within the boundaries of the unit and which service the unit only.

7. MAINTENANCE AND REPAIRS

7.01 Maintenance and Repairs to Units by the Owner

- (a) Subject to the provisions of this Declaration, each Owner shall maintain his unit and shall also repair his unit after damage including, without limiting the generality of the foregoing, repair to all improvements made by the Declarant in accordance with the architectural plans and specifications, notwithstanding that some of such improvements may have been made after the registration of this Declaration, at his own expense, to the intent that such Owner such restore his unit to a state of repair at least equivalent to its condition at the time it was originally completed for sale by the Declarant.
- (b) Each Owner shall be responsible for all damages to any and all other units and to the Common Elements, which are caused by the failure of the Owner to so maintain and repair his unit, save and except for any such damage to the Common Elements for which the cost of repairing same may be recovered under any policy for policies of insurance held by the Corporation.
- (c) The Corporation shall make any repairs that an Owner is obligated to make and which are not made within a reasonable time; and in such an event, an Owner shall be deemed to have consented to having such repairs made by the Corporation; and such Owner shall reimburse the Corporation in full for the cost of such repairs, including any legal or collection costs incurred by the Corporation in order to collect the costs of such repairs, taxed as between solicitor and client and all sums of money shall bear interest at such rate as the Board of Directors may decide upon, which installments shall be added to the monthly contribution towards the Common Expenses of such Owner, after receipt of a notice from the Corporation thereof. All such payments are deemed to be additional contributions towards the Common expenses and recoverable as such.

7.02 Repairs of Common Elements by the Corporation

The Corporation shall repair the Common Elements after damage, including the repair and replacement of all exterior doors providing ingress to and egress from all units at its own expense and further the Corporation will maintain and repair all fences erected at the time of registration of the Declaration and all driveways and walkways to and from each and every unit, all at its own expense.

7.03 Maintenance of Common Elements

The corporation shall maintain the common elements save and except for any improvements made by the Owner to the limited common elements appurtenant to his unit.

7.04 Additions, Alterations or Improvements by Owner

No Owner shall make any structural change in or to his unit or any change to an installation upon the Common Elements, or maintain, decorate or repair any part of the Common Elements (except for the maintenance of such portions of the Common Elements which the Owner having exclusive use and possession thereof is obligated to maintain pursuant to Clause 7.03 of this Section 7.) without the prior consent in writing of the Board.

Any change shall, if approved by the Board, be made in accordance with the provisions of all relevant municipal and other governmental by-laws, rules, regulations or ordinances and in accordance with the conditions, if any, of such approval, by the Board.

3.0 PURPOSE AND SCOPE OF WORK

Jacques Whitford Limited (Jacques Whitford) was retained by Mr. Dario Lorenzo, of 20/20 Properties Inc., on behalf of the Halifax County Condominium Corporation No. 43 to perform a Reserve Fund Study of the property “Oceanview”, situated 281 Windmill Road, Dartmouth, Nova Scotia.

The primary purpose of this reserve fund study was to provide an opinion for a funding plan that adequately offsets expenditures for major repair or replacement of common components, which are the responsibility of the condominium corporation. The assessment of the building was performed using methods and procedures that are consistent with good commercial and customary practice as outlined in ASTM Standard E2018-01. Every effort was made to ensure the accuracy of the data forming the basis of the projection of the life expectancy and replacement costs that were developed for this report. Responsibility cannot be accepted for unknown factors that might adversely affect the accuracy of these projections.

The scope of our work included, visual inspections by professional engineers and/or technicians to observe and document existing conditions, and interviews with maintenance personnel. Drawings, specifications, operating records or previous building condition reports listed in Section 8.0 were reviewed. Our work did not include destructive testing, testing of life safety systems or quantitative testing. The common components and systems surveyed included:

Site Work	Mechanical Systems
Building Exterior	Electrical Systems
Common Interior	Structural Elements

The recommendations and our opinion of costs associated with these recommendations presented in this report are based on portions of the building which were accessible during our investigation. Conditions may exist that are not as per the general condition of the system being observed and reported in this report. The opinions of costs presented in this report are also based on information received during interviews with operations and maintenance staff. During our assessment, we have attempted to verify all information received, however, we cannot be held responsible for incorrect information received during the interview process.

The opinions of cost for anticipated work presented in this report, are intended for global budget purposes only. Actual costs for work recommended can only be determined after preparation of tender documents, understanding of site restrictions, effects of ongoing operations of the building and definition of the construction schedule. The scope of recapitalization work recommended in

this report must be confirmed with a more detailed site investigation prior to implementation. We expressly waive any responsibilities for the effects of any action taken as a result of this service unless we are specifically advised and participate in the action, in which case our responsibility will be agreed to at that time. No other warranty, expressed or implied is made.

The opinions of estimated remaining life expectancy of the components evaluated are based on manufacturer's literature, and based on our observations and our previous experience. The actual date of repair or replacement of common components must be confirmed by further monitoring in the future.

No legal survey, soil tests, environmental assessment, detailed engineering calculations, or quantity surveying compilation have been made. No responsibility, therefore, is assumed concerning these matters. We did not design or construct the buildings or structures and therefore will not be held responsible for the impact of any design or construction defects, whether or not described in our final report.

The information and opinions expressed in this report are solely for the benefit of the Client named. No party shall distribute the final report or any portion or copy thereof without the express written permission of Jacques Whitford Limited, except that the client may make copies of the report for general distribution to members of the Condominium Corporation and as are reasonable for their own use. It shall not be relied upon for any purpose other than intended for the Client without the express written consent of Jacques Whitford Limited.

Any use which a third party makes of this report, or any reliance or decisions to be made based on it, are the responsibility of such third parties. Jacques Whitford Limited accepts no responsibility for damages, if any, suffered by a third party as a result of decisions made or actions based on this report. We expressly waive responsibility for the effects of any action taken as a result of this service unless we are specifically advised and participate in this action, in which case our responsibility will be agreed to at that time. No other warranty, expressed or implied is made.

4.0 RESERVE FUND TEAM

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5.0 PROPERTY DESCRIPTION

This condominium complex consists of a four-storey building with a total of eighty-four residential condominium units, and two underground stories of parking with no deeded parking spaces.

The civic address for the property is 281 Windmill Road, Dartmouth, Nova Scotia.

The legal description of the property is contained in Schedule A of the Declaration.

6.0 SUMMARY OF FINDINGS

The following is a summary of our findings of our walk-through survey of the property and our discussions with Anne Stewart, Building Superintendent, Dario Lorenzo, Property Owner for 20/20 Properties Inc. and Theresa Dawson, Property Manager for Citigroup Properties Limited. Normal life expectancy estimates are based on manufactures' literature and industry standards. Estimated life expectancy and the resulting expected year for replacement have been adjusted to suit the site observations. The summary of these findings has been tabulated in Section 7 in Table A – Estimated Remaining Life and Adjusted Replacement Costs.

6.1 Site

6.1.1 Asphalt Paving

There is a small exterior asphalt parking lot in front of the building. The access to the parking lot is provided by a paved driveway exiting onto Windmill Road.

The asphalt is in fair condition with partial replacement of the asphalt paving reportedly completed in 2002. Moderate alligator and longitudinal cracking were present on the asphalt paved surfaces that were not replaced. We anticipate that with ongoing minor maintenance, the driveway will require major localized repair in 3 years and a complete resurfacing in 2013. We have assumed that the operating and maintenance (O&M) budget will fund any minor repairs.

We have established a repair allowance of \$ 5,000 in the year 2007 and a complete resurfacing is estimated at \$12,000 to occur in 2013.

(\$5K in 2007 and \$12K in 2013)

6.1.2 Asphalt Curbs

Asphalt curbs surround all of the asphalt paved areas. The asphalt curb is in fair condition. The expected useful life of asphalt curbing is 20 years. We have estimated a replacement cost of \$3,000 and have scheduled it for 2006 and 2026.

(\$3K in 2006 and 2026.)

6.1.3 Concrete Walkways

There are concrete walkways from the main front entrance of the building to the exterior parking areas. The walkways provide access to the barrier free parking area. The concrete areas are in fair condition. We anticipate that the concrete has an indefinite life but will require periodic repair to areas of localized damaged due to normal wear and tear. We estimate that the repair budget allotted for the concrete walks should be \$1,500 every five years starting in 2005.

(\$1.5K in 2005 and every five years thereafter.)

6.1.4 Retaining Walls

Wooden retaining walls are found adjacent to the man door on the north side of the building and adjacent to the garage door on the east side of the building. The wooden retaining walls are constructed of 6"x6" timbers. A concrete retaining wall is located adjacent to the man door on

the south side of the building. The concrete retaining wall has cracks along its upper surface. The walls are in fair condition.

We have allotted a budget amount of \$1,000 in 2006 and every seven years thereafter for maintenance and repairs. Painting of the wooden retaining walls is covered in section 6.3.9. As the life expectancy of walls vary greatly, frequent inspections should be carried out, and the budget varied accordingly to suit site observations.¹

(\$1K in 2006, 2013, 2020, and 2027)

6.1.5 Landscaping

The landscaping on the property consists of planting beds, various shrubs and trees. All of the landscaping components appeared to be in good condition with no deficiencies to note. A local landscaping contractor reportedly maintains the landscaping. The ongoing maintenance and replacement of shrubs and plants on an as needed basis would fall under the general operating budget and should not affect the Reserve Fund.

¹ Retaining wall longevity is often related to earth pressure, hydraulic pressure, method of construction and design, which were not measured and are beyond the scope of this report. As a result the expected life of retaining walls can vary greatly. As with any building element, the condition should be monitored and changes to the expected life should be made to reflect on going observations.

6.2 Parking

6.2.1 Parking Structure

The building has two underground levels of parking. It was reported that repairs to the upper parking level slab were completed in 2003. The structural elements of the parking structure are assumed to have an indefinite life. The remaining structural components of the structure are in good condition. From time to time repairs may be required due to localized deterioration and or contact with vehicles. We have assumed that any repairs that are required as a result of vehicular contact would be funded by insurance coverage. Any other unforeseen deterioration or required repairs would be funded from the structural contingency outlined in section 6.3.1

6.2.2 Garage Door

There is a steel sectional double garage door located on the east side of the building, that provides access to the underground parking area. It is equipped with an electric operator. The door is in good condition and was replaced in 2001. The expected useful life of these doors varies, and is proportional to the number of parking spaces that it is servicing. We anticipate replacement of the door will be required every 6 years beginning in 2007. We have budgeted \$4,000 to replace the door.

(\$4K in 2007, 2013, 2019, 2025)

6.2.3 Painting

The underground parking area walls and ceiling are painted. The expected useful life of the painted surfaces in a parking garage is approximately 15 years. The painted finishes are in fair condition. We have estimated the cost to paint the walls and ceiling to be \$25,000 and have it scheduled for 2020.

It is understood that 20/20 Properties has allocated funds to complete the painting of the underground parking area within the next six months. Therefore, we have assumed the condition to be in new condition for 2005.

(\$25K in 2020)

6.3 Structural Frame and Exterior

6.3.1 Foundation and Structure

The structure consists of a concrete frost wall, footing, and floor at the parking level. The upper structure is a wood framed construction with wooden floors and engineered roof truss roof system. The exterior walls consist of wood frame construction, insulation, and a combination of wooden siding and brick veneer.

The structure of the building is assumed to have “indefinite” life expectancy as compared to the relative life of other components of the building. From time to time repairs may be required due to localized deterioration or vandalism, therefore a contingency reserve fund of 5% of the structure cost is recommended for the reserve fund. This contingency is applied in 5 equal amounts every five years over a thirty-year period. We have estimated the total **structural** costs to be \$2,250,000.00.

(\$22.5K in 2010, 2015, 2020, 2025 and 2030)

6.3.2 Exterior Brickwork

The building’s exterior sheathing is predominantly masonry brick. The exterior brickwork is in good condition. The exterior brickwork of the building is assumed to have “indefinite” life expectancy as compared to the relative life of other components of the building. From time to time repairs may be required due to localized deterioration or vandalism. Therefore, we have established a budget of \$5,000 to provide for brick and mortar repairs in the year 2005, 2015 and 2025.

It is understood that 20/20 Properties has allocated funds to complete the exterior brick repairs within the next six months. Therefore, we have assumed the condition to be in good condition for 2005.

(\$5K in 2015 and 2025)

6.3.3 Exterior Siding –V-Groove Cedar Siding

The building’s exterior balcony sections are clad with V-groove tongue and groove vertical cedar siding. The typical useful life of this product is considered to be 35 years. The cedar siding was in good condition. Based on the condition of the siding, painting will be required to protect the exposed surfaces from the weather. The painting of the siding is covered in section 6.3.9. Based

on the age of the siding, replacement is anticipated in year 2020. Therefore, a budget of \$87,500 has been allotted in year 2020.

(\$87.5K in 2020)

6.3.4 Caulking Material

The caulking is in poor condition. Due to the importance of maintaining caulking to ensure water tightness we strongly suggest that caulking be inspected and replaced as necessary on an annual basis. Although it can often represent a major expense, we recommend that this item be considered as part of the annual O&M budget and not as part of the reserve fund.

It is understood that 20/20 Properties has allocated funds to complete the caulking of the building within the next six months. Therefore, we have assumed the condition to be in new condition for 2005.

6.3.5 Entry Doors

The main entrance to the condominium is via a vestibule area, which has an outer set of glass double doors and an inner glass door. The doors are glazed with insulated tempered glass. The doors are in good condition. The exterior door was replaced in 2003. We anticipate a full replacement will not be necessary during the Reserve Fund Study period. We have allotted an expenditure associated with the entry system is a result of hardware and lockset issues. As a result we recommend an allowance of \$2,000 of the replacement value in the years 2010 and 2020 for repair and replacement of hardware.

(\$2K in 2010 and 2020)

6.3.6 Balcony Doors

The balcony doors are insulated steel doors with a fixed lite. The balcony doors are in good condition. The normal life expectancy of these doors is twenty to twenty-five years. The estimated cost for a complete replacement is \$36,000 and has been allotted in year 2015.

(\$36K in 2015)

6.3.7 Windows

The exterior windows that are installed in each unit are double glazed horizontal sliding aluminum units. We anticipate that the windows will have an expected useful life of thirty-five years. The cost of a complete exterior window replacement program would be approximately

\$160,000 and has been allotted for 2018. We would suggest that the condition of the windows is examined at the 5 year and 10-year intervals when the subsequent Reserve Fund Studies take place to assess their condition.

(\$160K in 2018)

6.3.8 Balcony

The balconies are fabricated from wood and structural steel. They are supported by 6" x 6" timber columns on the external corners. The columns are in turn supported on poured concrete bases. The bases have settled in the past and the timber columns have been modified to adjust for the settlement. The typical expected useful life for wooden deck structures is 20 years. Based on the age of the balconies, we anticipate the replacement of the decks and supporting structures at a total cost of a cost of \$100,000. The balconies are in fair to poor condition. We have allocated a budget of \$100,000 to replace balcony systems starting in 2005 and a complete replacement every 20 years thereafter.

The balcony railing is a pre-finished aluminum handrail. These structures have an indefinite life. The regular inspection of these railings should be considered in the yearly O&M budget. Any localized repair or damage of the railings would be funded from the structural contingency as outlined in section 6.3.1.

It is understood that 20/20 Properties has allocated funds to complete the replacement of the balconies within the next six months. Therefore, we have assumed the condition to be in new condition for 2005.

(\$100K in 2025)

6.3.9 Exterior Painting

The building trim and balcony sections are painted wood finishes. The painted finishes are in poor condition. The expected useful life of painted exterior finishes is approximately 7 years. The estimated cost to paint the exterior structures is \$30,000. We have scheduled it for 2005, 2012, 2019 and 2026.

It is understood that 20/20 Properties has allocated funds to complete the exterior painting of the building within the next six months. Therefore, we have assumed the condition to be in new condition for 2005.

(\$30K in 2012, 2019 and 2026)

6.3.10 Asphalt Shingles

The roof is covered with asphalt shingles. The roof is in fair condition. A maintained asphalt shingle roof will typically have an expected useful life of 20 years. The roof is original to the building and is 18 years old. A roof inspection should be included in the O&M budget to ensure the integrity of the roof system and determine maintenance requirements for the roof. Roof repairs were completed after Hurricane Juan in October 2003. We have estimated the roof replacement to cost \$50,000 and have it scheduled for 2005.

It is understood that 20/20 Properties has allocated funds to complete the replacement of the roof within the next six months. Therefore, we have assumed the condition to be in new condition for 2005.

(\$50K in 2025)

6.3.11 Eavestrough and Downspouts

The eavestrough is installed above the main entrance to the building and above the garage door entrance. The eavestrough was in good condition with one area of damaged eavestrough. We anticipate that the repair to the eavestrough will be completed as part of routine maintenance. The normal life of the eavestrough is typically twenty years or more years with periodic maintenance. Periodic inspection, maintenance and cleaning must be performed to ensure that the expected life is obtained. We do not anticipate any costs associated with this item.

6.4 Common Interior

6.4.1 Lobby and Corridor Walls

For the purpose of this reserve fund study, we have assumed that the lobby and corridor walls have an indefinite life. Localized repairs can be undertaken as part of the regular building maintenance.

6.4.2 Painting: Corridors and Lobby

The interior corridors and lobby walls are constructed of gypsum wallboard with a painted finish. The walls are in new condition and were reportedly painted in 2002. The paint and finishes in the corridors and lobby generally have an expected useful life of 10 years. We have established a budget of \$24,000 for years 2014 and 2024.

(\$24K in 2014 and 2024)

6.4.3 Painting: Stairwells

The three stairwells have painted walls. The stairwells were painted in 2002. Since the elevator is the main vertical transportation method within the building the stairwell areas will receive less traffic than the corridors and lobby. As a result, the expected useful life of the stairwell painted surface should last 15 or more years. We have allowed for repainting of the stairwells in 2017 at a cost of \$7,000.

(\$7K in 2017)

6.4.4 Carpet

The corridors and common areas are carpeted. The carpet is in new condition and was reportedly replaced in 2000. The expected useful life of carpet is 10 years. Therefore, we have estimated its replacement to cost \$65,000 and have scheduled it for 2010 and 2020.

(\$65K in 2010 and 2020)

6.4.5 Vinyl Tile

The laundry rooms and storage rooms on each floor of the building have vinyl tile floors. The floors are in fair to poor condition. The expected useful life of a vinyl tile floor is approximately 20 years. Replacement of the original existing floor tiles is recommended. The cost to replace the floor is estimated to be \$5,000 and is scheduled for 2006 and 2026.

(\$5K in 2006 and 2026)

6.4.6 Ceramic Tile

The main entrance has ceramic tile floor. The ceramic tile is in good condition. The expected useful life of ceramic tile is 35 years or more. The floor tile was replaced in 2004. Based on the expected useful of the ceramic tile, no costs associated with its replacement is included in the Reserve Fund Study.

6.4.7 Suite Entrance Doors

The suite entrance door assembly consists of a pressed steel frame with steel door. Normal life expectancy for interior doors is 25 to 30 years. Complete door replacement is not usually required and recapitalization usually involves installation of door closures, locksets and painting. Total replacement cost for the doors is estimated to be approximately \$51,000. However, we recommend an allowance of 20% of the door replacement cost to deal with future door locking and hardware issues in year 2015, representing the thirty-year mark.

(\$10.2K in 2015)

6.4.8 Elevator Finishes

There is a hydraulic elevator located in the main lobby that services the building. The mechanical longevity of the elevator is discussed in section 6.7. The interior finishes of the elevator were recently completed. Typically, the interior finishes would be scheduled for an aesthetic upgrade at approximately thirty years of service. As this was an aesthetic upgrade, we do not anticipate costs associated with the replacement of the elevator cabin finishes during the Reserve Fund Study.

6.4.9 Common Service Doors

There are numerous steel service doors throughout the building. They provide access to various rooms including the stairwells, mechanical, electrical, sprinkler, and phone rooms, and exit door from the parkade to the exterior. Although the anticipated useful life of these doors is thirty years we do not anticipate a full replacement schedule due to their infrequent use. Typically the exceptions would access doors of the parking garage which will require replacement due to damage associated with everyday use. These doors were replaced in 2004. As a result we anticipate a budget of \$4,000 for selective replacement and repair, mostly of hardware items, in 2024.

(\$4K in 2024)

6.5 Mechanical Systems

6.5.1 Sanitary System

The sanitary system is a standard installation. With the exception of annual maintenance, we do not anticipate that any significant work will be required for the sanitary system during the Reserve Fund Study. Allowances for work over and above the annual maintenance is carried under the Mechanical Contingency Budget outlined in Section 6.5.7.

6.5.2 Domestic Water Supply

The domestic water supply system is a standard installation for a building of this size. The supply piping enters the basement of the building and consists of ductile iron and copper piping. The drainage piping consists of ABS and cast iron materials. Both systems are connected via service connections to the Halifax Regional Water Commission distribution and collection systems on Windmill Road. Any immediate allowance for work over and above normal annual maintenance is carried by the Mechanical Contingency budget (Section 6.5.7).

6.5.3 Hot Water Heaters

The common area hot water system consists of four 60-gallon hot water heaters located in the laundry room on each floor of the building. The hot water heaters were reportedly replaced in the 2003. The expected useful life of these hot water tanks is 8 years. The replacement of these tanks will be required in years 2011, 2019 and 2027 and will cost \$4,000 per cycle.

(\$4K in 2011, 2019 and 2027)

6.5.4 Sump Pumps

The sump pit contains two pumps. The pumps were reportedly replaced in 2003. The expected useful life of the pump is approximately 7 years based on the discussions with the Building Superintendent. We anticipate a cost of \$4,000 to replace the pumps and have it scheduled for 2010, 2017, and 2024.

(\$4K in 2010, 2017, and 2024)

6.5.5 Sprinkler System

The fire protection system consists of dry and wet sprinkler piping systems throughout the entire building with sprinkler heads covering all areas. The sprinkler room is situated on the lower level

in its own room, which is accessed from the parkade. The system was inspected in April 2004 and is maintained on an annual basis by Simplex Grinnel. With continued regular testing and maintenance, we do not anticipate that any significant work will be required during the Reserve Fund Study. Allowances for work over and above normal annual maintenance is carried in the Mechanical Contingency budget

6.5.6 Ventilation

There is minor ventilation provided to the corridors and parking area. The parkade ventilation is controlled by carbon monoxide sensors, and vents directly to the outside. The motors of the garage and general exhaust building fans are original to the construction of the building. Based on an expected useful life of 20 years for the motors, replacement of the motors is anticipated in 2006 and 2026. We have allocated a budget of \$5,000 to replace the motors.

(\$5K in 2006 and 2026)

6.5.7 Mechanical Contingency

Due to be dependency on the mechanical equipment to maintain the building safety, water supply and air quality \$2,000 in 2010 and again in 2025 has been allotted for unforeseen deterioration or required repairs.

(\$2K in 2010 and 2025)

6.6 Electrical Systems

6.6.1 Power Supply

Primary service is provided by Nova Scotia Power. There is a pad mount transformer located north of the building. The observed main power panel is rated as 1600-amp 600 volt. The main feed of the building to the meter center is located in the electrical room on the upper parking level of the building. The electrical supply equipment should last the life of the building. Only routine maintenance costs are expected.

6.6.2 Electrical Distribution

The main splitter feeds meter stacks, which provide service to each unit. In keeping with the supply equipment, the distribution equipment should last the life of the building. Only routine maintenance costs are expected. Any unforeseen costs would be covered by the electrical contingency in section 6.6.9.

6.6.3 Heat – Electric Coils

Heat is provided to the common areas of the building by two electric heat coil units. The two electric heat coil units are located in the attic. The system heats fresh air and supplies it via the ductwork to the common areas of the building. The expected useful life of the heat coil unit is 20 years. The units were in fair condition and based on age we anticipate the replacement of the units in year 2005 and 2025 and have allotted a budget of \$6,000.

(\$6K in 2005 and 2025)

6.6.4 Corridor Lighting

Corridor lighting is accomplished by wall mounted fixtures. The fixtures are in fair condition. The useful life expectancy of these fixtures is 30 years. We anticipate the aesthetic replacement of these fixtures during the term of the study. We have allotted a budget of \$10,000 in year 2016 to address the replacement costs.

(\$10K in 2016)

6.6.5 Parking Garage Lighting

Florescent fixtures provide the parking area lighting. The light fixtures are in fair condition. These fixtures have an expected life of thirty years, and usually require replacement due to

corrosion and obsolescence. Therefore, we have allotted a budget of \$10,000 in year 2016 to address the replacement of the parking garage light fixtures.

(\$10K in 2016)

6.6.6 Emergency Lighting

There is emergency lighting associated with the building. Emergency lighting is provided by battery back-up lights throughout the common areas. The lights are serviced yearly, and as a result any maintenance is completed at this time. We expect that this practice will continue, and result in the cost associated with upgrading and replacement will be part of the annual operating budget.

6.6.7 Fire Alarm

The fire alarm system consists of ceiling mounted smoke detectors, pull stations and a wet/dry sprinkler system wired to a Mirtone Series 8000 fire alarm control panel. The system was inspected in April 2004 and is maintained on an annual basis by Simplex Grinnell. Regular inspection and testing along with the mechanical system associated with the fire suppression system should be maintained. Beyond this testing and servicing no major work is anticipated over the next 25 years.

6.6.8 Enterphone

An enterphone system is provided at the main entrance to the building. The enterphone system is in good condition. The expected useful life of an enterphone system is 20 years. The enterphone was reportedly upgraded in 2001. We anticipate that replacement of the enterphone will be required in 2021. We have allotted a budget of \$4,000 to replace the enterphone system.

(\$4K in 2021)

6.6.9 Electrical Contingency

Due to the reliance of a functioning electrical system, we would suggest an electrical contingency of \$1,500 in 2008 and every ten years thereafter nor any unforeseen electrical problems.

(\$1.5K in 2008, 2018, 2028)

6.7 Elevator

6.7.1 Modernization

The Eastern Elevator is under contract by Thyssen for regular maintenance and inspection. The control panel and cable was replaced in 2004. Typically elevators have an indefinite life associated with a good maintenance program, but should have a budget for a mechanical upgrade at approximately 25 – 30 years of service.

(\$20K in 2013)

7.0 RESERVE FUND CALCULATION

7.1 Assumptions

7.1.1 Life Expectancy

The assumptions regarding life expectancy are based on information provided in manufacturer's literature, our observations of the elements and our experience with similar materials and systems. Dates of replacement are based on either complete replacement or scheduled partial replacement. In the case of scheduled partial replacement, the replacement would generally start before the end of the original life cycle. This allows for proactive replacement of those items in most need, and thus avoiding the requirement for a complete building wide replacement.

7.1.2 Replacement Costs

Replacement costs are based on unit rates published by Means Publishing and are combined with local experience gained by Jacques Whitford Limited. The quantities associated with each item have been estimated during a site inspection and do not represent exact measurements or quantities. At time of replacement, specific quotations and "scope of works" should be predetermined and the budgetary items revised to reflect the actual expenditures.

Some components of the building have been assumed to have "indefinite" life expectancy as compared to the relative life of other components (such as building structure, domestic plumbing and electrical systems). From time to time localized repairs may be required due to deterioration or vandalism, therefore only a contingency amount has been recommended for these components in the determination of the reserve fund.

For the purpose of this Reserve Fund Study, we have used a valuation period of 25 years.

7.1.3 Annual Inflation Rate

The assumed inflation rate has been determined using the average yearly inflation rates for Nova Scotia over the past five years as recorded by Statistics Canada as follows:

Year	Inflation Rate
1999	1.7 %
2000	3.5 %
2001	1.8 %
2002	3.0%
2003	3.4%
Five Year Average	2.68 %

7.1.4 Annual Interest Rate

The assumed interest rate for funds re-invested have been determined based on the five-year average of Bank of Canada bank rate calculated on the last Wednesday of the month as follows:

Year	Bank Rate
1999	4.92%
2000	5.77%
2001	4.31%
2002	2.71%
2003	3.19%
Five Year Average	4.18%

7.2 Reporting Tables

The results of our investigations and recommendations are summarized in the following tables. It should be noted that in all funding scenarios developed, the recommended annual contribution level is based on the requirement for maintaining an annual reserve fund balance that is always positive.

7.2.1 Table A – Estimated Remaining Life and Adjusted Replacement Costs

This Table is a summary of the elements reviewed and indicates the anticipated year for repair or replacement and the adjusted replacement cost in present dollars. A description of each column is as follows:

Column 1 indicates the Section Number in the report where the findings of each element are summarized for each common element that has been identified.

Column 2 refers to the name of each common element.

Column 3 indicates the year of original construction or repair.

Column 4 indicates the normal life expectancy of the element.

Column 5 calculates the current age of the element.

Column 6 indicates the remaining life based on site review. This is the column in which we determine if the useful life of the element can be extended beyond the normally expected useful life or if an element has to be replaced earlier than normally expected.

Column 7 is the calculation of the anticipated year of replacement based on the conclusions of Column 6. Please note that in some cases we have assumed that the work will be phased over a number of years. In some cases an element may have to be replaced a number of times over the valuation period.

Column 8 is a brief comment that describes the anticipated cost recommended.

Column 9 is the estimated unit that describes the cost, typically lump sum, each, etc.

Column 10 is the cost per unit of the item to be replaced.

Column 11 is the number of units.

Column 12 is the calculated adjusted replacement cost based on the assumptions regarding the replacement cost to be reserved.

7.2.2 Table B – Master Cost Summary

This table indicates the anticipated year and the estimated costs for replacement / repair work in present (2005) dollars and summarizes the estimated total annual costs in future in both present dollars and in future dollars taking into account the assumed interest rate.

This table can be used as a preliminary schedule to anticipate future annual repairs. This summary has been projected for a twenty-five year period with the anticipation that this schedule can be used as a basis for future updates.

7.2.3 Table C – Master Reserve Fund Spread Sheet

This table summarizes annual funding requirements as per the requirements of the current regulation. Funding is calculated annually on a per component basis. Costs have been projected beyond the term of the study

**TABLE A
COMMON ELEMENT
ESTIMATED REMAINING LIFE AND ADJUSTED REPLACEMENT COST**

Common Element	Year of Construction or Repair	Normal Life Expectancy (years)	Current Age (years)	Remaining Life Based on Inspection (years)	Anticipated Year for Replacement	Detail	Unit	Unit Cost 2005 Dollars	Quantity	Replacement Cost 2005 Dollars	
											START YEAR
											20/20 Properties Inc.
6.1 SITE											
6.1.1 Asphalt Paving	1986	20	19	8	2013	Resurfacing	Lump Sum	\$ 12,000	1	\$ 12,000	
6.1.1 Asphalt Paving Repair Allowance	1986	15	19	2	2007	Repair Allowance	Lump Sum	\$ 5,000	1	\$ 5,000	
6.1.2 Asphalt Curbs	1986	20	19	1	2006	Repair Allowance	Lump Sum	\$ 3,000	1	\$ 3,000	
6.1.3 Concrete Walkways Repair	1986	5	19	0	2005	Repair Allowance	Lump Sum	\$ 1,500	1	\$ 1,500	
6.1.4 Retaining Walls Repairs	1986	7	19	1	2006	Repair Allowance	Lump Sum	\$ 1,000	1	\$ 1,000	
6.1.5 Landscaping	1986	50	19	30	2035	Annual O&M				\$ -	
6.2 PARKING											
6.2.1 Parking Structure	1986	100	19	81	2086	Contingency 6.3.1.				\$ -	
6.2.2 Garage Door	2001	6	4	2	2007	Cyclical Replacement	Each	\$ 4,000	1	\$ 4,000	
6.2.3 Painting	2005	15	0	15	2020	Cyclical Replacement	Lump Sum	\$ 25,000	1	\$ 25,000	
6.3 BUILDING EXTERIOR AND STRUCTURE											
6.3.1 Foundation and Structure	1986	100	19	81	2086					\$ -	
6.3.2 Foundation and Structure Contingency	1986	5	19	5	2010	Structural Contingency	Lump Sum	\$ 22,500	1	\$ 22,500	
6.3.3 Exterior Brickwork - Repair	1986	10	19	10	2015	Repair Allowance	Lump Sum	\$ 5,000	1	\$ 5,000	
6.3.3 Exterior Siding - V-Groove Cedar Siding	1986	35	19	5	2010	Replacement	Lump Sum	\$ 87,500	1	\$ 87,500	
6.3.4 Caulking Materials	1986	10	19	0	2005	Annual O&M				\$ -	
6.3.5 Entry Doors Hardware Replacement	1986	10	4	5	2010	Hardware Replacement	Lump Sum	\$ 2,000	1	\$ 2,000	
6.3.6 Balcony Doors	1986	25	19	10	2015	Replacement	Lump Sum	\$ 36,000	1	\$ 36,000	
6.3.7 Windows	1986	30	19	13	2018	Replacement	Lump Sum	\$ 160,000	1	\$ 160,000	
6.3.8 Balcony	2005	20	0	20	2025	Replacement	Lump Sum	\$ 100,000	1	\$ 100,000	
6.3.9 Exterior Painting	2005	7	0	7	2012	Replacement	Lump Sum	\$ 30,000	1	\$ 30,000	
6.3.10 Asphalt Shingles	2005	20	0	20	2025	Cyclical Replacement	Square Foot	\$ 2	25,000	\$ 50,000	
6.3.11 Downspouts and Gutters	1986	25	19	1	2006	Annual O&M				\$ -	
6.4 COMMON INTERIOR											
6.4.1 Lobby and Corridor Walls	1986	50	19	50	2055					\$ -	
6.4.2 Painting - Corridors and Lobby	2002	10	3	9	2014	Cyclical Replacement	Lump Sum	\$ 24,000	1	\$ 24,000	
6.4.3 Painting - Stairwells	1986	15	19	12	2017	Cyclical Replacement	Lump Sum	\$ 7,000	1	\$ 7,000	
6.4.4 Carpet	2000	10	5	5	2010	Cyclical Replacement	Lump Sum	\$ 65,000	1	\$ 65,000	
6.4.5 Vinyl Tile	1986	20	19	1	2006	Cyclical Replacement	Lump Sum	\$ 5,000	1	\$ 5,000	
6.4.6 Ceramic Tile	2004	50	1	35	2040					\$ -	
6.4.7 Suite Entrance Doors	1986	25	19	10	2015	Hardware Allowance	Lump Sum	\$ 10,200	1	\$ 10,200	
6.4.8 Elevator Finishes	2004	30	1	30	2035					\$ -	
6.4.9 Common Service Doors	2004	20	1	19	2024	Partial Replacement	Lump Sum	\$ 4,000	1	\$ 4,000	
6.5 MECHANICAL EQUIPMENT											
6.5.1 Sanitary System	1986	50	19	31	2036	Mechanical Contingency				\$ -	
6.5.2 Domestic Water Supply	1986	50	19	31	2036	Mechanical Contingency				\$ -	
6.5.3 Hot Water Heaters	2003	8	2	6	2011	Cyclical Replacement	Lump Sum	\$ 4,000	1	\$ 4,000	
6.5.4 Sump Pumps	2003	7	2	5	2010	Cyclical Replacement	Each	\$ 2,000	2	\$ 4,000	
6.5.5 Sprinkler System	1986	50	19	31	2036	Mechanical Contingency				\$ -	
6.5.6 Ventilation	1986	20	19	0	2005	Replacement	Lump Sum	\$ 5,000	1	\$ 5,000	
6.5.7 Mechanical Contingency	1986	15	19	5	2010		Lump Sum	\$ 2,000	1	\$ 2,000	
6.6 ELECTRICAL EQUIPMENT											
6.6.1 Power Supply	1986	50	19	31	2036	Electrical Contingency				\$ -	
6.6.2 Electrical Distribution	1986	50	19	31	2036	Electrical Contingency				\$ -	
6.6.3 Heat - Electric Coils	1986	9	19	0	2005	Replacement	Lump Sum	\$ 6,000	1	\$ 6,000	
6.6.4 Corridor Lighting	1986	30	19	11	2016	Replacement	Lump Sum	\$ 10,000	1	\$ 10,000	
6.6.5 Parking Garage Lighting	1986	30	19	11	2016	Replacement	Lump Sum	\$ 10,000	1	\$ 10,000	
6.6.6 Emergency Lighting	1986	30	19	11	2016	Annual O&M				\$ -	
6.6.7 Fire Alarm System	1986	50	19	21	2026	Annual O&M				\$ -	
6.6.8 Enterphone	2001	20	4	16	2021	Replacement	Lump Sum	\$ 4,000	1	\$ 4,000	
6.6.9 Electrical Contingency	1986	10	19	3	2008	Contingency	Lump Sum	\$ 1,500	1	\$ 1,500	
6.7 ELEVATOR											
6.7.1 Elevator Modernization	2004	30	1	8	2013	Repair Allowance	Lump Sum	\$ 20,000	1	\$ 20,000	

Col 1

Col 2

Col 3

Col 5

Col 4

Col 6

Col 7

Col 8

Col 9

Col 10

Col 11

Col 12

TABLE B - REPAIR / REPLACEMENT COST SUMMARY

	Common Element 20/20 Properties Inc.	Year of Construction or Repair	Remaining Life Expectancy	Anticipated Year for Replacement	Adjusted 2005 Replacement Cost	REPAIR / REPLACEMENT COST 2005 DOLLARS									
						1	2	3	4	5	6	7	8	9	10
						2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.1	SITE														
6.1.1	Asphalt Paving	1986	8	2013	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ -
6.1.1	Asphalt Paving Repair Allowance	1986	2	2007	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.1.2	Asphalt Curbs	1986	1	2006	\$ 3,000	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.1.3	Concrete Walkways Repair	1986	0	2005	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -
6.1.4	Retaining Walls Repairs	1986	1	2006	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -
6.1.5	Landscaping	1986	30	2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.2	PARKING														
6.2.1	Parking Structure	1986	81	2086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.2.2	Garage Door	2001	2	2007	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 4,000	\$ -
6.2.3	Painting	2005	15	2020	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3	BUILDING EXTERIOR AND STRUCTURE														
6.3.1	Foundation and Structure	1986	81	2086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.2	Foundation and Structure Contingency	1986	5	2010	\$ 22,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,500	\$ -	\$ -	\$ -	\$ -
6.3.3	Exterior Brickwork - Repair	1986	10	2015	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.3	Exterior Siding - V-Groove Cedar Siding	1986	5	2010	\$ 87,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,500	\$ -	\$ -	\$ -	\$ -
6.3.4	Caulking Materials	1986	0	2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.5	Entry Doors Hardware Replacement	1986	5	2010	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -
6.3.6	Balcony Doors	1986	10	2015	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.7	Windows	1986	13	2018	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.8	Balcony	2005	20	2025	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.9	Exterior Painting	2005	7	2012	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -
6.3.10	Asphalt Shingles	2005	20	2025	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.11	Downspouts and Gutters	1986	1	2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4	COMMON INTERIOR														
6.4.1	Lobby and Corridor Walls	1986	50	2055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.2	Painting - Corridors and Lobby	2002	9	2014	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,000
6.4.3	Painting - Stairwells	1986	12	2017	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.4	Carpet	2000	5	2010	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ -
6.4.5	Vinyl Tile	1986	1	2006	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.6	Ceramic Tile	2004	35	2040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.7	Suite Entrance Doors	1986	10	2015	\$ 10,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.8	Elevator Finishes	2004	30	2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.9	Common Service Doors	2004	19	2024	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5	MECHANICAL EQUIPMENT														
6.5.1	Sanitary System	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.2	Domestic Water Supply	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.3	Hot Water Heaters	2003	6	2011	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -
6.5.4	Sump Pumps	2003	5	2010	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -
6.5.5	Sprinkler System	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.6	Ventilation	1986	0	2005	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.7	Mechanical Contingency	1986	5	2010	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -
6.6	ELECTRICAL EQUIPMENT														
6.6.1	Power Supply	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.2	Electrical Distribution	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.3	Heat - Electric Coils	1986	0	2005	\$ 6,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000
6.6.4	Corridor Lighting	1986	11	2016	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.5	Parking Garage Lighting	1986	11	2016	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.6	Emergency Lighting	1986	11	2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.7	Fire Alarm System	1986	21	2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.8	Enterphone	2001	16	2021	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.9	Electrical Contingency	1986	3	2008	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.7	ELEVATOR														
6.7.1	Elevator Modernization	2004	8	2013	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -
ANNUAL COST 2005 DOLLARS						\$ 12,500	\$ 9,000	\$ 9,000	\$ 1,500	\$ 43,000	\$ 184,500	\$ 4,000	\$ 30,000	\$ 37,000	\$ 30,000
ANNUAL COST INFLATED						\$ 12,500	\$ 9,241	\$ 9,489	\$ 1,624	\$ 47,798	\$ 210,584	\$ 4,688	\$ 36,101	\$ 45,718	\$ 38,062
INFLATION RATE		2.68%													
START YEAR		2005													

TABLE B - REPAIR / REPLACEMENT COST SUMMARY

	Common Element 20/20 Properties Inc.	Year of Construction or Repair	Remaining Life Expectancy	Anticipated Year for Replacement	Adjusted 2005 Replacement Cost	REPAIR / REPLACEMENT COST 2005 DOLLARS									
						11	12	13	14	15	16	17	18	19	20
						2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
6.1	SITE														
6.1.1	Asphalt Paving	1986	8	2013	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.1.1	Asphalt Paving Repair Allowance	1986	2	2007	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -
6.1.2	Asphalt Curbs	1986	1	2006	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.1.3	Concrete Walkways Repair	1986	0	2005	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -
6.1.4	Retaining Walls Repairs	1986	1	2006	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
6.1.5	Landscaping	1986	30	2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.2	PARKING														
6.2.1	Parking Structure	1986	81	2086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.2.2	Garage Door	2001	2	2007	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.2.3	Painting	2005	15	2020	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -
6.3	BUILDING EXTERIOR AND STRUCTURE														
6.3.1	Foundation and Structure	1986	81	2086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.2	Foundation and Structure Contingency	1986	5	2010	\$ 22,500	\$ 22,500	\$ -	\$ -	\$ -	\$ -	\$ 22,500	\$ -	\$ -	\$ -	\$ -
6.3.3	Exterior Brickwork - Repair	1986	10	2015	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.3	Exterior Siding - V-Groove Cedar Siding	1986	5	2010	\$ 87,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.4	Caulking Materials	1986	0	2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.5	Entry Doors Hardware Replacement	1986	5	2010	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -
6.3.6	Balcony Doors	1986	10	2015	\$ 36,000	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.7	Windows	1986	13	2018	\$ 160,000	\$ -	\$ -	\$ -	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.8	Balcony	2005	20	2025	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.9	Exterior Painting	2005	7	2012	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.10	Asphalt Shingles	2005	20	2025	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.11	Downspouts and Gutters	1986	1	2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4	COMMON INTERIOR														
6.4.1	Lobby and Corridor Walls	1986	50	2055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.2	Painting - Corridors and Lobby	2002	9	2014	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,000
6.4.3	Painting - Stairwells	1986	12	2017	\$ 7,000	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.4	Carpet	2000	5	2010	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ -
6.4.5	Vinyl Tile	1986	1	2006	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.6	Ceramic Tile	2004	35	2040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.7	Suite Entrance Doors	1986	10	2015	\$ 10,200	\$ 10,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.8	Elevator Finishes	2004	30	2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.9	Common Service Doors	2004	19	2024	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000
6.5	MECHANICAL EQUIPMENT														
6.5.1	Sanitary System	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.2	Domestic Water Supply	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.3	Hot Water Heaters	2003	6	2011	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.4	Sump Pumps	2003	5	2010	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000
6.5.5	Sprinkler System	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.6	Ventilation	1986	0	2005	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.7	Mechanical Contingency	1986	5	2010	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6	ELECTRICAL EQUIPMENT														
6.6.1	Power Supply	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.2	Electrical Distribution	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.3	Heat - Electric Coils	1986	0	2005	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ -
6.6.4	Corridor Lighting	1986	11	2016	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.5	Parking Garage Lighting	1986	11	2016	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.6	Emergency Lighting	1986	11	2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.7	Fire Alarm System	1986	21	2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.8	Enterphone	2001	16	2021	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -
6.6.9	Electrical Contingency	1986	3	2008	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.7	ELEVATOR														
6.7.1	Elevator Modernization	2004	8	2013	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ANNUAL COST 2005 DOLLARS						\$ 75,200	\$ 20,000	\$ 11,000	\$ 161,500	\$ 38,000	\$ 117,000	\$ 4,000	\$ 5,000	\$ 6,000	\$ 32,000
ANNUAL COST INFLATED						\$ 97,966	\$ 26,753	\$ 15,109	\$ 227,766	\$ 55,028	\$ 173,970	\$ 6,107	\$ 7,838	\$ 9,658	\$ 52,891
INFLATION RATE		2.68%													
START YEAR		2005													

TABLE B - REPAIR / REPLACEMENT COST SUMMARY

	Common Element 20/20 Properties Inc.	Year of Construction or Repair	Remaining Life Expectancy	Anticipated Year for Replacement	Adjusted 2005 Replacement Cost	REPAIR / REPLACEMENT COST 2005 DOLLARS				
						21	22	23	24	25
						2025	2026	2027	2028	2029
6.1	SITE									
6.1.1	Asphalt Paving	1986	8	2013	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.1.1	Asphalt Paving Repair Allowance	1986	2	2007	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.1.2	Asphalt Curbs	1986	1	2006	\$ 3,000	\$ -	\$ 3,000	\$ -	\$ -	\$ -
6.1.3	Concrete Walkways Repair	1986	0	2005	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -	\$ -
6.1.4	Retaining Walls Repairs	1986	1	2006	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -
6.1.5	Landscaping	1986	30	2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.2	PARKING									
6.2.1	Parking Structure	1986	81	2086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.2.2	Garage Door	2001	2	2007	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ -
6.2.3	Painting	2005	15	2020	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.3	BUILDING EXTERIOR AND STRUCTURE									
6.3.1	Foundation and Structure	1986	81	2086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.2	Foundation and Structure Contingency	1986	5	2010	\$ 22,500	\$ 22,500	\$ -	\$ -	\$ -	\$ -
6.3.3	Exterior Brickwork - Repair	1986	10	2015	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -
6.3.3	Exterior Siding - V-Groove Cedar Siding	1986	5	2010	\$ 87,500	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.4	Caulking Materials	1986	0	2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.5	Entry Doors Hardware Replacement	1986	5	2010	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.6	Balcony Doors	1986	10	2015	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.7	Windows	1986	13	2018	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.8	Balcony	2005	20	2025	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
6.3.9	Exterior Painting	2005	7	2012	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -
6.3.10	Asphalt Shingles	2005	20	2025	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -
6.3.11	Downspouts and Gutters	1986	1	2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4	COMMON INTERIOR									
6.4.1	Lobby and Corridor Walls	1986	50	2055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.2	Painting - Corridors and Lobby	2002	9	2014	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.3	Painting - Stairwells	1986	12	2017	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.4	Carpet	2000	5	2010	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.5	Vinyl Tile	1986	1	2006	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ -	\$ -
6.4.6	Ceramic Tile	2004	35	2040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.7	Suite Entrance Doors	1986	10	2015	\$ 10,200	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.8	Elevator Finishes	2004	30	2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.9	Common Service Doors	2004	19	2024	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.5	MECHANICAL EQUIPMENT									
6.5.1	Sanitary System	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.2	Domestic Water Supply	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.3	Hot Water Heaters	2003	6	2011	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ -	\$ -
6.5.4	Sump Pumps	2003	5	2010	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.5	Sprinkler System	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.6	Ventilation	1986	0	2005	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -
6.5.7	Mechanical Contingency	1986	5	2010	\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -
6.6	ELECTRICAL EQUIPMENT									
6.6.1	Power Supply	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.2	Electrical Distribution	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.3	Heat - Electric Coils	1986	0	2005	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.4	Corridor Lighting	1986	11	2016	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.5	Parking Garage Lighting	1986	11	2016	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.6	Emergency Lighting	1986	11	2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.7	Fire Alarm System	1986	21	2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.8	Enterphone	2001	16	2021	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.9	Electrical Contingency	1986	3	2008	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -
6.7	ELEVATOR									
6.7.1	Elevator Modernization	2004	8	2013	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
ANNUAL COST 2005 DOLLARS						\$ 190,000	\$ 38,000	\$ 5,000	\$ 1,500	\$ -
ANNUAL COST INFLATED						\$ 322,456	\$ 66,220	\$ 8,947	\$ 2,756	\$ -
INFLATION RATE		2.68%								
START YEAR		2005								

TABLE C - MASTER RESERVE FUND SUMMARY

	Common Element 20/20 Properties Inc.	Year of Construction or Repair	Remaining Life Expectancy	Anticipated Year for Replacement	Adjusted 2005 Replacement Cost	REPAIR / REPLACEMENT COST 2005 DOLLARS									
						1	2	3	4	5	6	7	8	9	10
						2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
6.1 SITE															
6.1.1	Asphalt Paving	1986	8	2013	\$ 12,000	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 600
6.1.1	Asphalt Paving Repair Allowance	1986	2	2007	\$ 5,000	\$ 1,667	\$ 1,667	\$ 1,667	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333
6.1.2	Asphalt Curbs	1986	1	2006	\$ 3,000	\$ 1,500	\$ 1,500	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150
6.1.3	Concrete Walkways Repair	1986	0	2005	\$ 1,500	\$ 1,500	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
6.1.4	Retaining Walls Repairs	1986	1	2006	\$ 1,000	\$ 500	\$ 500	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143
6.1.5	Landscaping	1986	30	2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.2 PARKING															
6.2.1	Parking Structure	1986	81	2086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.2.2	Garage Door	2001	2	2007	\$ 4,000	\$ 1,333	\$ 1,333	\$ 1,333	\$ 667	\$ 5,000	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667
6.2.3	Painting	2005	15	2020	\$ 25,000	\$ 1,563	\$ 1,563	\$ 1,563	\$ 1,563	\$ 1,563	\$ 1,563	\$ 1,563	\$ 1,563	\$ 1,563	\$ 1,563
6.3 BUILDING EXTERIOR AND STRUCTURE															
6.3.1	Foundation and Structure	1986	81	2086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.2	Foundation and Structure Contingency	1986	5	2010	\$ 22,500	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500
6.3.3	Exterior Brickwork - Repair	1986	10	2015	\$ 5,000	\$ 455	\$ 455	\$ 455	\$ 455	\$ 455	\$ 455	\$ 455	\$ 455	\$ 455	\$ 455
6.3.3	Exterior Siding - V-Groove Cedar Siding	1986	5	2010	\$ 87,500	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 14,583	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
6.3.4	Caulking Materials	1986	0	2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.3.5	Entry Doors Hardware Replacement	1986	5	2010	\$ 2,000	\$ 333	\$ 333	\$ 333	\$ 750	\$ 2,000	\$ 333	\$ 200	\$ 200	\$ 200	\$ 200
6.3.6	Balcony Doors	1986	10	2015	\$ 36,000	\$ 3,273	\$ 3,273	\$ 3,273	\$ 3,273	\$ 36,000	\$ 3,273	\$ 3,273	\$ 3,273	\$ 3,273	\$ 3,273
6.3.7	Windows	1986	13	2018	\$ 160,000	\$ 11,429	\$ 11,429	\$ 11,429	\$ 11,429	\$ 11,429	\$ 11,429	\$ 11,429	\$ 11,429	\$ 11,429	\$ 11,429
6.3.8	Balcony	2005	20	2025	\$ 100,000	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762	\$ 4,762
6.3.9	Exterior Painting	2005	7	2012	\$ 30,000	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 4,286
6.3.10	Asphalt Shingles	2005	20	2025	\$ 50,000	\$ 2,381	\$ 2,381	\$ 2,381	\$ 2,381	\$ 2,381	\$ 2,381	\$ 2,381	\$ 2,381	\$ 2,381	\$ 2,381
6.3.11	Downspouts and Gutters	1986	1	2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4 COMMON INTERIOR															
6.4.1	Lobby and Corridor Walls	1986	50	2055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.2	Painting - Corridors and Lobby	2002	9	2014	\$ 24,000	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
6.4.3	Painting - Stairwells	1986	12	2017	\$ 7,000	\$ 538	\$ 538	\$ 538	\$ 538	\$ 538	\$ 538	\$ 538	\$ 538	\$ 538	\$ 538
6.4.4	Carpet	2000	5	2010	\$ 65,000	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 10,833	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
6.4.5	Vinyl Tile	1986	1	2006	\$ 5,000	\$ 2,500	\$ 2,500	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
6.4.6	Ceramic Tile	2004	35	2040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.7	Suite Entrance Doors	1986	10	2015	\$ 10,200	\$ 927	\$ 927	\$ 927	\$ 927	\$ 927	\$ 927	\$ 927	\$ 927	\$ 927	\$ 927
6.4.8	Elevator Finishes	2004	30	2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.4.9	Common Service Doors	2004	19	2024	\$ 4,000	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
6.5 MECHANICAL EQUIPMENT															
6.5.1	Sanitary System	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.2	Domestic Water Supply	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.3	Hot Water Heaters	2003	6	2011	\$ 4,000	\$ 571	\$ 571	\$ 571	\$ 571	\$ 571	\$ 571	\$ 571	\$ 500	\$ 500	\$ 500
6.5.4	Sump Pumps	2003	5	2010	\$ 4,000	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 571	\$ 571	\$ 571	\$ 571
6.5.5	Sprinkler System	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.5.6	Ventilation	1986	0	2005	\$ 5,000	\$ 5,000	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
6.5.7	Mechanical Contingency	1986	5	2010	\$ 2,000	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 133	\$ 133	\$ 133	\$ 133
6.6 ELECTRICAL EQUIPMENT															
6.6.1	Power Supply	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.2	Electrical Distribution	1986	31	2036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.3	Heat - Electric Coils	1986	0	2005	\$ 6,000	\$ 6,000	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667
6.6.4	Corridor Lighting	1986	11	2016	\$ 10,000	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833
6.6.5	Parking Garage Lighting	1986	11	2016	\$ 10,000	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833
6.6.6	Emergency Lighting	1986	11	2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.7	Fire Alarm System	1986	21	2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.6.8	Enterphone	2001	16	2021	\$ 4,000	\$ 235	\$ 235	\$ 235	\$ 235	\$ 235	\$ 235	\$ 235	\$ 235	\$ 235	\$ 235
6.6.9	Electrical Contingency	1986	3	2008	\$ 1,500	\$ 375	\$ 375	\$ 375	\$ 375	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150
6.7 ELEVATOR															
6.7.1	Elevator Modernization	2004	8	2013	\$ 20,000	\$ 2,222	\$ 2,222	\$ 2,222	\$ 2,222	\$ 2,222	\$ 2,222	\$ 2,222	\$ 2,222	\$ 2,222	\$ 667
REQUIRED ANNUAL CONTRIBUTION					\$ 88,581	\$ 77,298	\$ 73,340	\$ 71,757	\$ 109,843	\$ 71,115	\$ 55,020	\$ 54,949	\$ 55,484	\$ 53,196	
CONTRIBUTION FROM RESERVE					\$ 12,500	\$ 9,241	\$ 9,489	\$ 1,624	\$ 9,146	\$ -	\$ -	\$ -	\$ -	\$ -	
NET ANNUAL CONTRIBUTION (See Note 1)					\$ 76,081	\$ 68,056	\$ 63,852	\$ 70,133	\$ 100,697	\$ 71,115	\$ 55,020	\$ 54,949	\$ 55,484	\$ 53,196	
ANNUAL EXPENSES (FROM TABLE B)					\$ 12,500	\$ 9,000	\$ 9,000	\$ 1,500	\$ 43,000	\$ 184,500	\$ 4,000	\$ 30,000	\$ 37,000	\$ 30,000	
CLOSING RESERVE FUND BALANCE					\$ 105,581	\$ 164,637	\$ 219,489	\$ 288,122	\$ 345,819	\$ 232,434	\$ 283,454	\$ 308,403	\$ 326,887	\$ 350,083	

OPENING BALANCE	\$ 42,000
START YEAR	2005

7.3 Funding Scenarios

Five Funding Scenarios have been presented for consideration to the Board of Directors. Each Funding Scenario meets the intent of the Reserve Fund legislation. In each of the funding scenarios presented, a positive reserve fund balance is always maintained over the 25-year valuation term of the study.

Individual Funding Scenarios

Funding Scenario #1

Annual contribution is at the level calculated in the Master Reserve Fund SpreadSheet as per the Provincial Regulations. The reserve fund balance is calculated taking into account the effects of interest and inflation over the valuation term. Interest remains in the Reserve Fund.

Funding Scenario #2

Annual contribution is at the level calculated in the Mater Reserve Fund SpreadSheet, in keeping with the Provincial Regulations, with the interest from the preceding year credited against the required annual contributions. The reserve fund balance is calculated taking into account the effects of interest and inflation over the valuation term. Interest remains in the Reserve Fund.

Funding Scenario #3

Annual contribution is \$57,500. The reserve fund balance is calculated taking into account the effects of interest and inflation over the valuation term.

Funding Scenario #4

Initial contribution of \$45,000 and increases at the assumed rate of inflation. The reserve fund balance is calculated taking into account the effects of interest and inflation over the valuation term. Interest remains in the Reserve Fund.

Funding Scenario #5

Initial annual contribution of \$45,000 and increases at a rate of \$1,500 per year for the remainder of the 25 year Reserve Fund period. The reserve fund balance is calculated taking into account the effects of interest and inflation over the valuation term. Interest remains in the Reserve Fund.

Funding Scenario #1 - Contribution at level recommended in Master Reserve Schedule with allowances for interest and inflation. Interest remains in Reserve Fund.

CLIENT 20/20 Properties Inc.

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In this scenario the interest remains in the Reserve Fund as a buffer and is not credited to contributions.
This table indicates the recommended annual contributions and includes the effects of interest and inflation.

FISCAL YEAR	OPENING RESERVE FUND BALANCE	SEE TABLE B		ANNUAL CONTRIBUTION		INTEREST EARNED	CLOSING RESERVE FUND BALANCE
		ESTIMATED EXPENSES UNINFLATED	ESTIMATED EXPENSES INFLATED	UNINFLATED ANNUAL CONTRIBUTION	INFLATED ANNUAL CONTRIBUTION		
2005	\$ 42,000	\$ 12,500	\$ 12,500	\$ 76,081	\$ 76,081	\$ -	\$ 105,581
2006	\$ 105,581	\$ 9,000	\$ 9,241	\$ 68,056	\$ 69,880	\$ 5,643	\$ 171,862
2007	\$ 171,862	\$ 9,000	\$ 9,489	\$ 63,852	\$ 67,320	\$ 8,320	\$ 238,013
2008	\$ 238,013	\$ 1,500	\$ 1,624	\$ 70,133	\$ 75,924	\$ 11,381	\$ 323,695
2009	\$ 323,695	\$ 43,000	\$ 47,798	\$ 100,697	\$ 111,933	\$ 14,636	\$ 402,466
2010	\$ 402,466	\$ 184,500	\$ 210,584	\$ 71,115	\$ 81,170	\$ 13,908	\$ 286,959
2011	\$ 286,959	\$ 4,000	\$ 4,688	\$ 55,020	\$ 64,482	\$ 13,047	\$ 359,800
2012	\$ 359,800	\$ 30,000	\$ 36,101	\$ 54,949	\$ 66,124	\$ 15,434	\$ 405,256
2013	\$ 405,256	\$ 37,000	\$ 45,718	\$ 55,484	\$ 68,558	\$ 17,144	\$ 445,240
2014	\$ 445,240	\$ 30,000	\$ 38,062	\$ 53,196	\$ 67,491	\$ 18,927	\$ 493,596
2015	\$ 493,596	\$ 75,200	\$ 97,966	\$ 53,196	\$ 69,300	\$ 19,697	\$ 484,627
2016	\$ 484,627	\$ 20,000	\$ 26,753	\$ 50,889	\$ 68,072	\$ 20,762	\$ 546,708
2017	\$ 546,708	\$ 11,000	\$ 15,109	\$ 49,889	\$ 68,523	\$ 23,579	\$ 623,701
2018	\$ 623,701	\$ 161,500	\$ 227,766	\$ 49,817	\$ 70,258	\$ 22,352	\$ 488,545
2019	\$ 488,545	\$ 38,000	\$ 55,028	\$ 43,722	\$ 63,314	\$ 20,185	\$ 517,016
2020	\$ 517,016	\$ 117,000	\$ 173,970	\$ 43,722	\$ 65,011	\$ 18,889	\$ 426,946
2021	\$ 426,946	\$ 4,000	\$ 6,107	\$ 43,826	\$ 66,912	\$ 18,635	\$ 506,386
2022	\$ 506,386	\$ 5,000	\$ 7,838	\$ 43,791	\$ 68,650	\$ 21,918	\$ 589,116
2023	\$ 589,116	\$ 6,000	\$ 9,658	\$ 43,791	\$ 70,490	\$ 25,338	\$ 675,287
2024	\$ 675,287	\$ 32,000	\$ 52,891	\$ 43,791	\$ 72,379	\$ 28,037	\$ 722,812
2025	\$ 722,812	\$ 190,000	\$ 322,456	\$ 43,791	\$ 74,319	\$ 24,389	\$ 499,065
2026	\$ 499,065	\$ 38,000	\$ 66,220	\$ 44,148	\$ 76,933	\$ 20,400	\$ 530,178
2027	\$ 530,178	\$ 5,000	\$ 8,947	\$ 44,148	\$ 78,995	\$ 22,897	\$ 623,123
2028	\$ 623,123	\$ 1,500	\$ 2,756	\$ 44,148	\$ 81,112	\$ 26,912	\$ 728,391
2029	\$ 728,391	\$ -	\$ -	\$ 44,148	\$ 83,286	\$ 31,369	\$ 843,047
TOTALS		\$ 1,064,700	\$ 1,489,271	\$ 1,355,399	\$ 1,826,519	\$ 463,798	

TERM - YEARS 25

START YEAR 2005

OPENING BALANCE \$ 42,000

INTEREST RATE 4.18%

INFLATION RATE 2.68%

NOTES:

1. No inflation in construction costs have been assumed until the beginning of year 2.
2. Interest calculations are based on average account balances for each year.
3. Recommended annual contribution level is based on the requirement for maintaining a Reserve Fund Balance that is always positive.

FUNDING SCENARIO #2 - Contribution at level calculated in Master Reserve Schedule with interest credited against subsequent year's annual contribution. Allowances for interest and inflation. Interest remains in Reserve Fund

CLIENT 20/20 Properties Inc.

In this scenario the interest remains in the Reserve Fund as a buffer and is partially credited to contributions.
This table indicates the recommended annual contributions and includes the effects of interest and inflation.

FISCAL YEAR	OPENING RESERVE FUND BALANCE	SEE TABLE B		INFLATED ANNUAL CONTRIBUTION	TOTAL INTEREST	CONTRIBUTION CREDIT FROM INTEREST	ADJUSTED REQUIRED CONTRIBUTION	CLOSING RESERVE FUND BALANCE
		ESTIMATED EXPENSES UNINFLATED	ESTIMATED EXPENSES INFLATED					
2005	\$ 42,000	\$ 12,500	\$ 12,500	\$ 76,081	\$ 3,084	\$ -	\$ 76,081	\$ 108,665
2006	\$ 108,665	\$ 9,000	\$ 9,241	\$ 69,880	\$ 5,810	\$ 3,084	\$ 66,796	\$ 172,030
2007	\$ 172,030	\$ 9,000	\$ 9,489	\$ 67,320	\$ 8,400	\$ 5,810	\$ 61,510	\$ 232,450
2008	\$ 232,450	\$ 1,500	\$ 1,624	\$ 75,924	\$ 11,269	\$ 8,400	\$ 67,525	\$ 309,621
2009	\$ 309,621	\$ 43,000	\$ 47,798	\$ 111,933	\$ 14,283	\$ 11,269	\$ 100,664	\$ 376,769
2010	\$ 376,769	\$ 184,500	\$ 210,584	\$ 81,170	\$ 13,044	\$ 14,283	\$ 66,887	\$ 246,116
2011	\$ 246,116	\$ 4,000	\$ 4,688	\$ 64,482	\$ 11,537	\$ 13,044	\$ 51,438	\$ 304,403
2012	\$ 304,403	\$ 30,000	\$ 36,101	\$ 66,124	\$ 13,352	\$ 11,537	\$ 54,587	\$ 336,240
2013	\$ 336,240	\$ 37,000	\$ 45,718	\$ 68,558	\$ 14,532	\$ 13,352	\$ 55,206	\$ 360,260
2014	\$ 360,260	\$ 30,000	\$ 38,062	\$ 67,491	\$ 15,674	\$ 14,532	\$ 52,959	\$ 390,831
2015	\$ 390,831	\$ 75,200	\$ 97,966	\$ 69,300	\$ 15,738	\$ 15,674	\$ 53,626	\$ 362,229
2016	\$ 362,229	\$ 20,000	\$ 26,753	\$ 68,072	\$ 16,005	\$ 15,738	\$ 52,334	\$ 403,815
2017	\$ 403,815	\$ 11,000	\$ 15,109	\$ 68,523	\$ 17,996	\$ 16,005	\$ 52,518	\$ 459,220
2018	\$ 459,220	\$ 161,500	\$ 227,766	\$ 70,258	\$ 15,903	\$ 17,996	\$ 52,262	\$ 299,620
2019	\$ 299,620	\$ 38,000	\$ 55,028	\$ 63,314	\$ 12,697	\$ 15,903	\$ 47,411	\$ 304,700
2020	\$ 304,700	\$ 117,000	\$ 173,970	\$ 65,011	\$ 10,459	\$ 12,697	\$ 52,314	\$ 193,503
2021	\$ 193,503	\$ 4,000	\$ 6,107	\$ 66,912	\$ 9,359	\$ 10,459	\$ 56,453	\$ 253,208
2022	\$ 253,208	\$ 5,000	\$ 7,838	\$ 68,650	\$ 11,855	\$ 9,359	\$ 59,291	\$ 316,516
2023	\$ 316,516	\$ 6,000	\$ 9,658	\$ 70,490	\$ 14,502	\$ 11,855	\$ 58,635	\$ 379,995
2024	\$ 379,995	\$ 32,000	\$ 52,891	\$ 72,379	\$ 16,291	\$ 14,502	\$ 57,878	\$ 401,273
2025	\$ 401,273	\$ 190,000	\$ 322,456	\$ 74,319	\$ 11,587	\$ 16,291	\$ 58,028	\$ 148,432
2026	\$ 148,432	\$ 38,000	\$ 66,220	\$ 76,933	\$ 6,428	\$ 11,587	\$ 65,346	\$ 153,986
2027	\$ 153,986	\$ 5,000	\$ 8,947	\$ 78,995	\$ 7,901	\$ 6,428	\$ 72,567	\$ 225,507
2028	\$ 225,507	\$ 1,500	\$ 2,756	\$ 81,112	\$ 11,064	\$ 7,901	\$ 73,211	\$ 307,027
2029	\$ 307,027	\$ -	\$ -	\$ 83,286	\$ 14,574	\$ 11,064	\$ 72,222	\$ 393,823
TOTALS		\$ 1,064,700	\$ 1,489,271	\$ 1,826,519	\$ 303,344	\$ 288,770	\$ 1,537,750	

PROJECT NO. NSD19243

DATE Dec-04

TERM - YEARS 25

START YEAR 2005

OPENING BALANCE \$ 42,000

INTEREST RATE 4.18%

INFLATION RATE 2.68%

PERCENT OF INTEREST TO BE APPLIED TO FOLLOWING ANNUAL CONTRIBUTION 100.00%

- NOTES:
1. No inflation in construction costs have been assumed until the beginning of year 2.
 2. Interest calculations are based on average account balances for each year.
 3. Recommended annual contribution level is based on the requirement for maintaining a Reserve Fund Balance that is always positive.

Funding Scenario #3 - Contribution at constant rate of \$57,500 throughout term with allowances for interest and inflation. Interest remains in Reserve Fund.

CLIENT 20/20 Properties Inc.

PROJECT NO. NSD19243

DATE Dec-04

In this scenario the interest remains in the Reserve Fund as a buffer and is not credited to contributions.
This table indicates the recommended annual contributions and includes the effects of interest and inflation.

FISCAL YEAR	OPENING RESERVE FUND BALANCE	SEE TABLE B		RECOMMENDED ANNUAL CONTRIBUTION	INTEREST EARNED	CLOSING RESERVE FUND BALANCE
		ESTIMATED EXPENSES UNINFLATED	ESTIMATED EXPENSES INFLATED			
2005	\$ 42,000	\$ 12,500	\$ 12,500	\$ 57,500	\$ 2,696	\$ 89,696
2006	\$ 89,696	\$ 9,000	\$ 9,241	\$ 57,500	\$ 4,758	\$ 142,713
2007	\$ 142,713	\$ 9,000	\$ 9,489	\$ 57,500	\$ 6,969	\$ 197,693
2008	\$ 197,693	\$ 1,500	\$ 1,624	\$ 57,500	\$ 9,431	\$ 263,000
2009	\$ 263,000	\$ 43,000	\$ 47,798	\$ 57,500	\$ 11,196	\$ 283,898
2010	\$ 283,898	\$ 184,500	\$ 210,584	\$ 57,500	\$ 8,667	\$ 139,482
2011	\$ 139,482	\$ 4,000	\$ 4,688	\$ 57,500	\$ 6,934	\$ 199,228
2012	\$ 199,228	\$ 30,000	\$ 36,101	\$ 57,500	\$ 8,775	\$ 229,401
2013	\$ 229,401	\$ 37,000	\$ 45,718	\$ 57,500	\$ 9,835	\$ 251,019
2014	\$ 251,019	\$ 30,000	\$ 38,062	\$ 57,500	\$ 10,899	\$ 281,355
2015	\$ 281,355	\$ 75,200	\$ 97,966	\$ 57,500	\$ 10,915	\$ 251,804
2016	\$ 251,804	\$ 20,000	\$ 26,753	\$ 57,500	\$ 11,168	\$ 293,719
2017	\$ 293,719	\$ 11,000	\$ 15,109	\$ 57,500	\$ 13,163	\$ 349,274
2018	\$ 349,274	\$ 161,500	\$ 227,766	\$ 57,500	\$ 11,041	\$ 190,049
2019	\$ 190,049	\$ 38,000	\$ 55,028	\$ 57,500	\$ 7,996	\$ 200,516
2020	\$ 200,516	\$ 117,000	\$ 173,970	\$ 57,500	\$ 5,947	\$ 89,994
2021	\$ 89,994	\$ 4,000	\$ 6,107	\$ 57,500	\$ 4,836	\$ 146,223
2022	\$ 146,223	\$ 5,000	\$ 7,838	\$ 57,500	\$ 7,150	\$ 203,034
2023	\$ 203,034	\$ 6,000	\$ 9,658	\$ 57,500	\$ 9,487	\$ 260,363
2024	\$ 260,363	\$ 32,000	\$ 52,891	\$ 57,500	\$ 10,979	\$ 275,951
2025	\$ 275,951	\$ 190,000	\$ 322,456	\$ 57,500	\$ 5,997	\$ 16,992
2026	\$ 16,992	\$ 38,000	\$ 66,220	\$ 57,500	\$ 528	\$ 8,801
2027	\$ 8,801	\$ 5,000	\$ 8,947	\$ 57,500	\$ 1,383	\$ 58,737
2028	\$ 58,737	\$ 1,500	\$ 2,756	\$ 57,500	\$ 3,599	\$ 117,080
2029	\$ 117,080	\$ -	\$ -	\$ 57,500	\$ 6,096	\$ 180,676
TOTALS		\$ 1,064,700	\$ 1,489,271	\$ 1,437,500	\$ 190,446	

TERM - YEARS	25
START YEAR	2005
OPENING BALANCE	\$ 42,000
INTEREST RATE	4.18%
INFLATION RATE	2.68%
ANNUAL CONTRIBUTION	\$ 57,500
CONTRIBUTION INFLATION RATE	0.00%

NOTES:

1. No inflation in construction costs have been assumed until the beginning of year 2.
2. Interest calculations are based on average account balances for each year.
3. Recommended annual contribution level is based on the requirement for maintaining a Reserve Fund Balance that is always positive.

Funding Scenario #4 - Initial contribution of \$45,000 and increases at the assumed inflation rate with allowances for interest and inflation. Interest remains in Reserve Fund.

CLIENT 20/20 Properties Inc.

PROJECT NO. NSD19243

DATE Dec-04

In this scenario the interest remains in the Reserve Fund as a buffer and is not credited to contributions.
This table indicates the recommended annual contributions and includes the effects of interest and inflation.

FISCAL YEAR	OPENING RESERVE FUND BALANCE	SEE TABLE B		RECOMMENDED ANNUAL CONTRIBUTION	INTEREST EARNED	CLOSING RESERVE FUND BALANCE
		ESTIMATED EXPENSES UNINFLATED	ESTIMATED EXPENSES INFLATED			
2005	\$ 42,000	\$ 12,500	\$ 12,500	\$ 45,000	\$ 2,435	\$ 76,935
2006	\$ 76,935	\$ 9,000	\$ 9,241	\$ 46,206	\$ 3,988	\$ 117,888
2007	\$ 117,888	\$ 9,000	\$ 9,489	\$ 47,444	\$ 5,721	\$ 161,565
2008	\$ 161,565	\$ 1,500	\$ 1,624	\$ 48,716	\$ 7,738	\$ 216,394
2009	\$ 216,394	\$ 43,000	\$ 47,798	\$ 50,021	\$ 9,092	\$ 227,709
2010	\$ 227,709	\$ 184,500	\$ 210,584	\$ 51,362	\$ 6,190	\$ 74,677
2011	\$ 74,677	\$ 4,000	\$ 4,688	\$ 52,738	\$ 4,126	\$ 126,854
2012	\$ 126,854	\$ 30,000	\$ 36,101	\$ 54,152	\$ 5,680	\$ 150,584
2013	\$ 150,584	\$ 37,000	\$ 45,718	\$ 55,603	\$ 6,501	\$ 166,970
2014	\$ 166,970	\$ 30,000	\$ 38,062	\$ 57,093	\$ 7,377	\$ 193,378
2015	\$ 193,378	\$ 75,200	\$ 97,966	\$ 58,623	\$ 7,261	\$ 161,296
2016	\$ 161,296	\$ 20,000	\$ 26,753	\$ 60,195	\$ 7,441	\$ 202,179
2017	\$ 202,179	\$ 11,000	\$ 15,109	\$ 61,808	\$ 9,427	\$ 258,305
2018	\$ 258,305	\$ 161,500	\$ 227,766	\$ 63,464	\$ 7,363	\$ 101,367
2019	\$ 101,367	\$ 38,000	\$ 55,028	\$ 65,165	\$ 4,449	\$ 115,953
2020	\$ 115,953	\$ 117,000	\$ 173,970	\$ 66,911	\$ 2,609	\$ 11,504
2021	\$ 11,504	\$ 4,000	\$ 6,107	\$ 68,705	\$ 1,789	\$ 75,890
2022	\$ 75,890	\$ 5,000	\$ 7,838	\$ 70,546	\$ 4,483	\$ 143,081
2023	\$ 143,081	\$ 6,000	\$ 9,658	\$ 72,437	\$ 7,293	\$ 213,152
2024	\$ 213,152	\$ 32,000	\$ 52,891	\$ 74,378	\$ 9,359	\$ 243,998
2025	\$ 243,998	\$ 190,000	\$ 322,456	\$ 76,371	\$ 5,056	\$ 2,969
2026	\$ 2,969	\$ 38,000	\$ 66,220	\$ 78,418	\$ 379	\$ 15,546
2027	\$ 15,546	\$ 5,000	\$ 8,947	\$ 80,520	\$ 2,146	\$ 89,265
2028	\$ 89,265	\$ 1,500	\$ 2,756	\$ 82,677	\$ 5,402	\$ 174,588
2029	\$ 174,588	\$ -	\$ -	\$ 84,893	\$ 9,072	\$ 268,553
TOTALS		\$ 1,064,700	\$ 1,489,271	\$ 1,573,447	\$ 142,376	

TERM - YEARS 25

START YEAR 2005

OPENING BALANCE \$ 42,000

INTEREST RATE 4.18%

INFLATION RATE 2.68%

ANNUAL CONTRIBUTION \$ 45,000

CONTRIBUTION INFLATION RATE 2.68%

NOTES:

1. No inflation in construction costs have been assumed until the beginning of year 2.
2. Interest calculations are based on average account balances for each year.
3. Recommended annual contribution level is based on the requirement for maintaining a Reserve Fund Balance that is always positive.

Funding Scenario #5 - Contribution of \$45,000 and increases at a rate of \$1,500 per year throughout term with allowances for interest and inflation. Interest remains in Reserve Fund.

CLIENT 20/20 Properties Inc.

PROJECT NO. NSD19243

DATE Dec-04

In this scenario the interest remains in the Reserve Fund as a buffer and is not credited to contributions.
This table indicates the recommended annual contributions and includes the effects of interest and inflation.

FISCAL YEAR	OPENING RESERVE FUND BALANCE	SEE TABLE B		RECOMMENDED ANNUAL CONTRIBUTION	INTEREST EARNED	CLOSING RESERVE FUND BALANCE
		ESTIMATED EXPENSES UNINFLATED	ESTIMATED EXPENSES INFLATED			
2005	\$ 42,000	\$ 12,500	\$ 12,500	\$ 45,000	\$ 2,435	\$ 76,935
2006	\$ 76,935	\$ 9,000	\$ 9,241	\$ 46,500	\$ 3,995	\$ 118,188
2007	\$ 118,188	\$ 9,000	\$ 9,489	\$ 48,000	\$ 5,745	\$ 162,445
2008	\$ 162,445	\$ 1,500	\$ 1,624	\$ 49,500	\$ 7,791	\$ 218,111
2009	\$ 218,111	\$ 43,000	\$ 47,798	\$ 51,000	\$ 9,184	\$ 230,497
2010	\$ 230,497	\$ 184,500	\$ 210,584	\$ 52,500	\$ 6,331	\$ 78,744
2011	\$ 78,744	\$ 4,000	\$ 4,688	\$ 54,000	\$ 4,322	\$ 132,378
2012	\$ 132,378	\$ 30,000	\$ 36,101	\$ 55,500	\$ 5,939	\$ 157,716
2013	\$ 157,716	\$ 37,000	\$ 45,718	\$ 57,000	\$ 6,828	\$ 175,826
2014	\$ 175,826	\$ 30,000	\$ 38,062	\$ 58,500	\$ 7,777	\$ 204,040
2015	\$ 204,040	\$ 75,200	\$ 97,966	\$ 60,000	\$ 7,735	\$ 173,809
2016	\$ 173,809	\$ 20,000	\$ 26,753	\$ 61,500	\$ 7,991	\$ 216,548
2017	\$ 216,548	\$ 11,000	\$ 15,109	\$ 63,000	\$ 10,053	\$ 274,492
2018	\$ 274,492	\$ 161,500	\$ 227,766	\$ 64,500	\$ 8,062	\$ 119,287
2019	\$ 119,287	\$ 38,000	\$ 55,028	\$ 66,000	\$ 5,216	\$ 135,475
2020	\$ 135,475	\$ 117,000	\$ 173,970	\$ 67,500	\$ 3,438	\$ 32,443
2021	\$ 32,443	\$ 4,000	\$ 6,107	\$ 69,000	\$ 2,671	\$ 98,006
2022	\$ 98,006	\$ 5,000	\$ 7,838	\$ 70,500	\$ 5,406	\$ 166,074
2023	\$ 166,074	\$ 6,000	\$ 9,658	\$ 72,000	\$ 8,245	\$ 236,661
2024	\$ 236,661	\$ 32,000	\$ 52,891	\$ 73,500	\$ 10,323	\$ 267,593
2025	\$ 267,593	\$ 190,000	\$ 322,456	\$ 75,000	\$ 6,014	\$ 26,150
2026	\$ 26,150	\$ 38,000	\$ 66,220	\$ 76,500	\$ 1,308	\$ 37,738
2027	\$ 37,738	\$ 5,000	\$ 8,947	\$ 78,000	\$ 3,021	\$ 109,812
2028	\$ 109,812	\$ 1,500	\$ 2,756	\$ 79,500	\$ 6,194	\$ 192,751
2029	\$ 192,751	\$ -	\$ -	\$ 81,000	\$ 9,750	\$ 283,501
TOTALS		\$ 1,064,700	\$ 1,489,271	\$ 1,575,000	\$ 155,771	

TERM - YEARS	25
START YEAR	2005
OPENING BALANCE	\$ 42,000
INTEREST RATE	4.18%
INFLATION RATE	2.68%
ANNUAL CONTRIBUTION	\$ 45,000
CONTRIBUTION INFLATION RATE	0.00%

- NOTES:
1. No inflation in construction costs have been assumed until the beginning of year 2.
 2. Interest calculations are based on average account balances for each year.
 3. Recommended annual contribution level is based on the requirement for maintaining a Reserve Fund Balance that is always positive.

7.4 Reserve Fund Status

The fiscal year for year 1 of this Reserve Fund Study begins on January 1, 2005 and ends on December 31, 2005. The opening balance of the Reserve Fund on January 1, 2005 is reported to be \$42,000.00.

To meet the anticipated costs of future repair and replacement of the common element components, annual contributions to the Reserve Fund will be required. We have presented five funding scenarios for consideration by the Board of Directors of this Condominium Corporation. In each of these funding scenarios, we have assumed that the interest is earned at a rate of 4.18% (based on the five year average of Bank of Canada Bank rate), that the interest is tax free and is reinvested in the fund, and that annual inflation rate is 2.68% (based on the average yearly inflation rates for Nova Scotia over the past five years as recorded by Statistics Canada).

We recommend the Board adopts funding scenario no. 3 although the level of contribution outlined in each funding scenario will be adequate to cover the costs for work that is anticipated for repair and replacement of the common elements over the next 25 years. The interim update that is required in 2010 will determine if any changes to the funding scenario that is approved by the board of directors is required.

In our opinion, the balance created by each of the funding scenarios will be adequate to meet the recapitalization requirements for this building over the next 25 years.

We recommend that the contribution level be reviewed annually so that the contribution level can be adjusted to reflect actual costs of work, changes to timing and cost of work expected for coming year and the effects of actual interest and inflation rates.

8.0 INVESTIGATION SUMMARY

8.1 Site Review

James LeBlanc, P. Eng. of Jacques Whitford conducted a visual walk-through of the site and document review in November 2004.

8.2 Interviews

The following personnel were interviewed:

Mr. Dario Lorenzo, Project Manager, 20/20 Properties Inc.

Mr. Stan Lorenzo, Project Coordinator, Streamline Inc.

Ms. Anne Stewart, Building Superintendent.

Ms. Teresa Dawson, Property Manager, Citigroup Properties Limited

8.3 Reference Documents

Document	Date	Author	Type Of Document
Architectural design drawing package	October 1984	Mettam Wright Associates Ltd Architects Planners	Architectural plans
Survey Plans	1986	Frank Longstaff Surveying Limited	Plan, Boundaries of Units
Declaration	March 18, 1986	HCCC 43	Declaration

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