Darlington Arms Condominiums

Darlington Arms, Condominium Corporation #9811439
Established 15 May, 1998
Forty condo homes under one roof at 317 Fourteenth Avenue, S.W., Calgary
WWW.DarlingtonArmsCondos.com

Reserve Fund Plan

Adopted 21 June 2007
Following up on the reserve fund study by
Morrison Hershfield Engineering, February 2007

Built in 1970 and renovated thoroughly at condo conversion in 1998, the Darlington Arms Condos building has seen further on-going maintenance and capital projects over the subsequent nine years. Our Reserve Fund Plan for further capital work builds on the following accomplishments:

*Replacement of exterior caulking for all windows and doors; 2003 and 2004.
*Brick mortar repointing of all building exterior faces as needed; 2004.
*Replacement of all in-wall domestic hot-water water "recirculation" lines; 2000.
*Replacement of both domestic hot-water tanks: one in 2002, the second in 2003.
*Replacement of the original single cast-iron boiler with a new twin set, plus new heating water circulation pumps; 2002.
*Installation of east and west-side fencing to enclose the surface parking lot, plus bullards to protect the east walls from cars and garbage bins; 2000.
*Installation of a powered and remote-controlled car gate for the surface lot; 2005.
*Installation of six high-pressure sodium exterior lights and a photo-cell switch; 2002.
*Installation of exterior temperature-sensing controls for the boilers and for car plugs; 2005.
*Construction of 13 assigned lockers for suites that lacked titled storage lockers; various years.
*Creation of two bike storage rooms with custom-made bike racks; 2000.
*Elevator cab upgrading with stainless-steel cladding of two panels, plus removal of the dropped ceiling, better lighting, installation of an exhaust fan and battery-pack backup lighting, upgrading the cab's door safety mechanism to infra-red sensor, replacing the bump bar; all in 2002.
*Installation in the elevator cab of key control and a new stainless-steel button panel, including a hands-free direct-line phone to our elevator company; 2004.
*Security improved with locking doors for stairwells and new steel doors on storage areas; 2005.
*Addition of a four-camera CCTV system with digital recording 24/7, and a display monitor at the entry to show visitors that they're being watched; 2005.
*Better lighting and all new paint in the lower-level lobby, plus anti-slip floor paint there and on both stair sets up to the second floor; 2007.

*Creation of numerous plumbing access panels in suites, hallways and the parkade ceiling; ongoing.

*Upgrading of the parkade's east exit door to a new steel door with self-closing hinges, and the overhead door conversion from key-fob operation to radio remote controls; 2007.

*Roof maintenance every second year, which in 2006 was waterproof painting of the exterior walls of the roof-top elevator mechanical room.

*Creation of a web site on which all building documents and even a photo tour are posted. We believe it to be the most complete in-house condominium information web site in Canada; 2004.

*Fire alarm enunciator panel and all alarms, pull stations and heat detectors upgraded to modern location-identifying display system with visual alarm indicators on all floors; 2007.

The 2007 Morrison Hershfield ("MH") study of our building points out various further maintenance issues that we have addressed immediately. Those issues already addressed are noted in the work-done list above, and others are addressed in the section-specific notes that follow. It also recommends spending on an enormous scale to upgrade beyond what our Board feels is expected or necessary in a 1970-vintage building. Because of this disagreement we cannot adopt either of the saving and spending scenarios suggested by MH. Our exterior doors and windows--as an example--are serving us well enough.

In response, though, our Board has adopted a 2007-08 budget that will increase contributions to reserve by 64% annually over 2006-07, namely from $27,480 to $45,000 each year. Our Reserve Fund Plan will be to spend as necessary from our current Reserve Fund and from the increased contributions to address capital items on a priority basis, with the fire alarm system and elevator topping the list.

The Board believes that all necessary work can be accomplished over the coming five years without a special assessment and without a Reserve Fund negative balance, although a special assessment to fund a priority project cannot be ruled out.

Specific responses to MH observations and recommendations

The following list details our Board's response to MH's suggested saving and spending, then identifies what priority work our building intends to accomplish in short order.

4.2 Landscaping: The report suggests that complete metal fencing replacement should be funded every 30 years at today's cost of $25,000, yet our current balcony railings (as an example) are 38 years old and are in good condition. We believe that properly maintained fencing has a longer lifespan than 30 years.

4.3 Driveways, slab-on-grade concrete, asphalt parking: It is recommended to spend $20,000 in five years and every five years thereafter on concrete parking slab and retaining wall repair. We detect no problems with the parkade slab or the retaining walls, but will repair whatever and whenever needed.

The MH comments regarding asphalt paving overlook that the base for our rear-lot parking is the concrete deck of the parkade below. In other words, the pavement has no frost heave or sub-surface issues at all. We do not believe it will be necessary to re-pave the lot at a cost of $50,000 in 10 years and every 20 years thereafter. MH staff agreed with us on this in conversation, but the final report was not corrected.

There follows a duplication at 4.3 of costs (bottom of page 7), recommending that $8,000 be spent in two years and every five years thereafter for asphalt repairs. Morrison Hershfield staff had agreed with

these comments in review of the draft, but again the final text remains unchanged. Seal-coat surfacing has been ordered for the summer of 2007.

4.4 Structural components: The Board disagrees that there is any "structural deterioration" in the parkade or anywhere in the building. We know of mechanical damage done to a few parkade ceiling members, likely caused during paving of the surface lot above the parkade in 1998, and repairs have been completed in May, 2007.

The second photo shows an east-side bullard, installed in 2001, which penetrated the basement ceiling, so was waterproofed from above. We do not agree that $20,000 needs to be allocated to such projects every five years subsequent.

There is a passing comment (top of p. 9) to hot tubs, but there is only one small (1,000 liter) hot tub, and an engineer was consulted prior to it being placed there, and he dismissed any concern.

4.5 Roofing: Morrison Hershfield's final Report ignores our correction of the age of the building's roof, which was replaced in 1998. We perform regular maintenance and believe it will perform another 10 years, namely until 2017, as opposed to requiring immediate replacement. MH did not inspect the roof, as it was snow covered at the time.

4.6 Exterior cladding: Exterior cladding is noted as "in good condition", yet the authors suggest spending $34,000 in 11 years and every 15 years thereafter to maintain it. We have ordered replacement of a few broken decorative bricks at the ground level this year (April, 2007), and note that caulking of ALL windows, doors and brick mortar replacement as needed was performed in 2004.

4.8 Windows and doors: The Board and our owners disagree (and have had AGM input) that all exterior windows and doors need immediate replacement, projected in Scenario One to cost a total of $484,000. While these components are not modern, they are largely in the same condition as when installed and are serving well enough. Our building pays for any maintenance called for by individual suite owners, and we offer 50% cost-sharing on replacements that an owner is willing to co-fund. No owner has taken up this offer.

4.10 Interior finishes: The last paragraph on page 15, and the photo above, show boiler room insulation separating from the ceiling. All loose panels of insulation were secured in April, 2007. As well, the sump was cleaned out in 2005, and channels were cut in the boiler room floor to drain away water from flushing of hot water tanks and the heating boilers.

4.13 Domestic hot water and heating systems: The comments and photos on pages 22 and 23 were addressed in May of 2007 with installation of a new enlarged combustion-air intake cowling and replacement of a boiler pressure-release valve. The gaps recently made in the wall between the boiler room and the parkade during plumbing maintenance have also been filled with mortar. Vacuum breakers have been installed on all common-property taps, both interior and exterior.

4.14 Ventilation: The Board immediately ordered creation of additional ventilation into the parkade (completed in June of 2007), but disagrees that it should be heated, which would be an enormous waste of energy. There is already an exhaust fan, operated by the CO detector.

4.15 Fire-suppression systems: All extinguishers, hose cabinets and alarms plus the panel are inspected annually. We point out that all hose cabinets DO have fire extinguishers.

4.19 Power distribution: The "visual observations" paragraph closes by commenting that a floor-box receptacle in the lobby was loose. That was immediately anchored in April, 2007. Under "conclusions" the authors comment that our power-distribution systems have an estimated 20% remaining life on a lifespan of 45 years. To address this, in April of 2007 Viking Electric and the Board Chair inspected every common-property electrical connection in the building, finding one loose connection that was immediately tightened, but otherwise finding all wiring and housings to be in like-new condition.

4.2 Interior lighting: In response to the report, the Board assigned a contractor to immediately upgrade lighting in the lower lobby and throughout the parkade with T8 (low-energy-use) neon lighting, which was all completed in June, 2007.

4.21 and 4.23 Emergency and exit lighting and fire alarm systems: The Board agreed with recommendations to upgrade our fire-safety systems. An entire new alarm system was ordered and installation was completed in June of 2007. A contract was also let for replacement of the emergency generator with battery-pack-operated emergency lighting for every landing of both exit stairwells, with extension lighting into every hallway.

Elevator Reserve Fund Study: While we are cautioned by MH that replacement parts are hard to find, our elevator maintenance firm staff tell us they easily find used parts on the internet, and this availability may continue for decades to come. Our Board, though, plans a staged approach to modernizing the mechanical aspects of the elevator. The recommended elevator mechanical upgrades will likely be performed in three phases over the next six years.

Signed on behalf of the Board:

Gerald Rotering, Chair,
21 June 2007

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REPORT

Engineered Reserve Fund Study DARLINGTON ARMS CONDOMINIUM

Calgary, Alberta

Presented to:

The Board of Directors
The Darlington Arms Condominium Corporation

c/o Mr. Barry Meckelberg
Consolidated Real Estate Services Inc.
500 Parkside Place, 602 – 12th avenue SW
Calgary, Alberta
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* Notes by Condo Board Chair Gerald Rotering; June 2007.

Report No. 3065201.00-01 February, 2007

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1. INTRODUCTION

1.1 General

Morrison Hershfield Limited (MH) was retained by Darlington Arms Condominium Corporation. to conduct an Engineered Reserve Fund Study of the condominium complex, Darlington Arms, located in Calgary, Alberta. The Study was authorized by Mr. Barry Meckelburg of Consolidated Real Estate Services Inc on behalf of Darlington Arms Condominium Corporation.

1.2 Scope of Work

The detailed scope of work, as outlined in our July 19, 2006 proposal, is as follows:

1. Review design drawings, specifications, reports and previously completed reserve fund studies.

2. Review the Condominium Bylaws to determine the common property or, alternatively, get written direction as to which specific elements to include in our study.

3. Complete a cursory on-site examination of the building in order to develop a general assessment of the condition of the various common property components of the building.

   The cursory review will include a sampling of the following items where applicable:

   - structural systems;
   - roof systems, flashing and caulking, downspouts and eavestroughing;
   - exterior wall systems;
   - patios and decks;
   - fencing;
   - pavement and sidewalks;
   - mechanical components and systems
   - exterior lighting and other common electrical elements.

The sampling will be made from ground level, balconies and/or roof levels, where accessible.

4. We will issue a draft report for your review and comments. Prior to the issuance of the final report we will address changes to the draft report by either email, fax, or one board meeting.

   The draft report will contain at least one cash flow scenario. Additional cash flow scenarios can be included in the final report to a maximum of three scenarios, as directed by the Board.

5. We will provide two (2) copies of our final report, incorporating comments made at the draft stage where appropriate, and including photographs to show various situations observed.

1.3 Documents

To assist with the review, the following documents were provided to MH:

- The Condominium Plan;
- Current Reserve Fund balance.

2. RESERVE FUND REQUIREMENTS

A Reserve Fund is defined as "a fund set aside by a corporation or property owner in a special account for funding of major repair and replacement of building components and systems, which deteriorate over time. It is calculated on the basis of expected repair and replacement costs and life expectancy".

The Reserve Fund was developed to provide sufficient funds for repair and replacement of components, systems and assets of the Condominium Corporation. In preparing a Reserve Fund Study, future events are predicted based on a sampling of components and the assumption of proper maintenance. The actual date of replacement or extent of repairs for any item may vary from the estimates provided. All life expectancies of building components are estimated from past experience with similar materials and information from supplier specifications. The status of the complex in relation to this Reserve Fund Study should be reviewed every three to five years.

All replacement costs provided in the report are in year 2007 dollars and include six percent (6%) for the Goods and Services Tax (GST). Consulting and engineering fees, unless specified, are included. We have predicted life expectancies for the components as we found them during our review of the premises. The replacement or repair costs of the various systems and components are converted to future costs based on estimated inflation rates. These converted costs are amortized over their anticipated life span at interest rates based on current term deposit rates.

The Reserve Fund Study is summarized in the charts contained in Appendix A.

3. MORRISON HERSHFIELD'S (MH'S) QUALIFICATIONS

MH has been in the consulting engineering business for more than 60 years and in Alberta for over 30 of those years. Our Buildings and Facilities Division specializes in investigating the condition of existing buildings and failures of existing building components including: wall systems, roofs, parkade slabs, post tensioned slabs, paving, masonry, and landscape problems.

MH has been involved with the design, inspection, investigation and remedial repair of over five hundred condominiums, apartment residences and cooperative projects, more than twenty million square feet of parking garage structures and numerous commercial and institutional buildings for a variety of clients. We have recently completed over 200 Reserve Fund Studies amongst other roofing, water condensation and water penetration projects.

4. OBSERVATIONS AND RECOMMENDATIONS

The visual review of Darlington Arms Condominium complex (building exterior and interior finishes) was conducted on November 27, 2006 by Mr. Brent Nabozniak, Senior Technician, and by Mr. Jordan Bowie, Field Technologist, both of MH. The mechanical components of the complex were reviewed by Mr. Gary Marks, P.Eng. of MH. The electrical components of the complex were reviewed by Mr. Henry Doornberg, P.Eng. During the visit, the buildings' roofs, facades, and the surrounding property were reviewed. The following are our observations and recommendations.

4.1 Description of Site

The condominium complex (Photo 1) is comprised of one building with an aggregate total of 40 suites. It is our understanding that the building is approximately 38 years old. The complex has two entrances, one facing 14th Avenue SW and the second located at the east side of the building. The complex is primarily brick faced and is surrounded by a metal fence. An automatic access gate is located on the east side of the complex with under ground parking access located on the west side.

Photo 1: Darlington Arms Condominium Complex.

4.2 Landscaping

4.2.1 Visual Observations

Painted metal fences (Photo 2) are provided on the east and west sides of the complex. The fences appear to be in good condition. A motorized metal entry gate is provided on the east side driveway entrance of the complex. An entry control system has been provided at the main gate.

Painted metal handrails are provided at various steps around and on the top of the complex. Painted metal handrails are on every balcony. The railings appeared to be well anchored into the concrete and to metal stairs on the roof level.

Photo 2: Metal Fence Complete With Automatic Gate.

4.2.2 Conclusion and Recommendations

Metal fences have an estimated service life of 30 years. An allowance of $25,000 has been included in the Study for replacement of the metal fences every 30 years starting in 27 years. An additional allowance of $5,000 has been included to paint the metal fences/metal handrails and minor repairs every ten years starting in seven years. Repairs to the main gate are considered

See notes in our Reserve Fund Plan.

to be maintenance. An allowance of $6,000 has been included in the Study for replacement of main gate in seven years.

4.3 Driveways, Slab On Grade Concrete, and Asphalt Parking

4.3.1 Visual Observations

Beneath the outdoor parking area and the building is a single-level underground parkade. The floor of the parkade is a concrete slab-on-grade with saw cut joints. A concrete slab-on-grade ramp complete with retaining walls provide access to the parkade. Minor cracks were noted in the slab but overall the parkade and ramp appeared to be in good condition.

The south parking lot is located above the underground parkade and consists of asphalt on cast in place concrete. The asphalt acts as a protective barrier for the underground parkade. This barrier minimizes water infiltration and erosion of the concrete members. The asphalt appeared to be in fair condition with minor cracks and previous repairs noted.

4.3.2 Conclusion and Recommendations

We'll go with "to the life of the building". No issue with slab or the retaining walls.

The interior concrete slab has a life expectancy of 30 years to the life of the building, depending on the quality of construction. An allowance of $20,000 has been included in the Study for repair in five years and every five years subsequent. This amount also includes repair, which may be required, for the retaining walls surrounding the parking lot.

Our sub base is the parkade's concrete deck.

The estimated life of asphalt pavement is approximately 20 years depending on the sub base supporting the asphalt and the level of maintenance performed. An allowance of $50,000 has been included in the Study to replace the asphalt pavement in ten years and every 20 years subsequent. The estimated service life of the asphalt in the Study assumes regular maintenance is occurring in relationship to the existing asphalt. Sealcoating ordered June, 2007.

Under normal climate conditions found in this area, minor asphalt repairs can be required as often as every five years. An allowance of $8,000 has been included in the Study for repairs in two years, and every five years subsequent

When repairs and replacement are preformed on asphalt, it is important to insure the contractor correctly shores the underground parkade as the structural members are not designed for construction loads.

4.4 Structural Components

4.4.1 Visual Observations

The building consists of reinforced concrete construction with steel stud interior and exterior partition walls. Reviewed from the interior of selected units and the exterior, the structure appeared to be in moderate condition. During the review of the underground parkade areas, concrete deterioration and foundation cracking was noted. Concrete beams had minor cracking and exposed re-bar (Photo 3). This is a pouring seam, not a crack.

all parkade "T" beams were repaired June, 2007.

Mechanical room concrete was repaired, as well. No foundation cracking could be found.

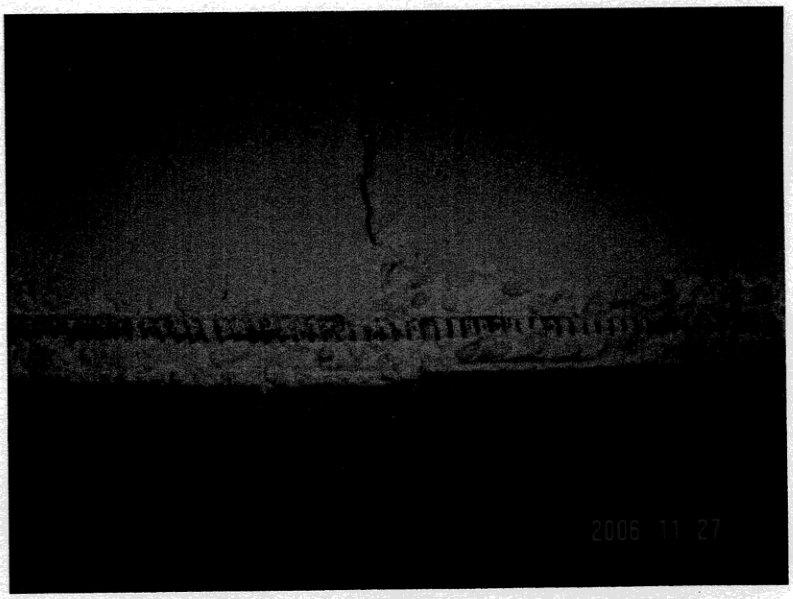


Photo 3: Cracks and Exposed Re-bar.

4.4.2 Conclusion and Recommendations

Structural members are generally assumed to last the life of the complex. Structural deterioration was noted in the underground parkade (Photo 3) and in the mechanical room (Photo 4), an allowance of $20,000 has been included for repairs to the structural items in 2007 and every five years subsequent. The parkade was reviewed by Richard Neufeld, P.Eng of MH and it was noted that there was no visible major structural deficiencies and a detailed report has

been prepared and forwarded to the Board. Structural concerns have also been noted regarding the installation of hot tubs on the roof. Recommendations regarding the hot tubs have also been included in the structural review.

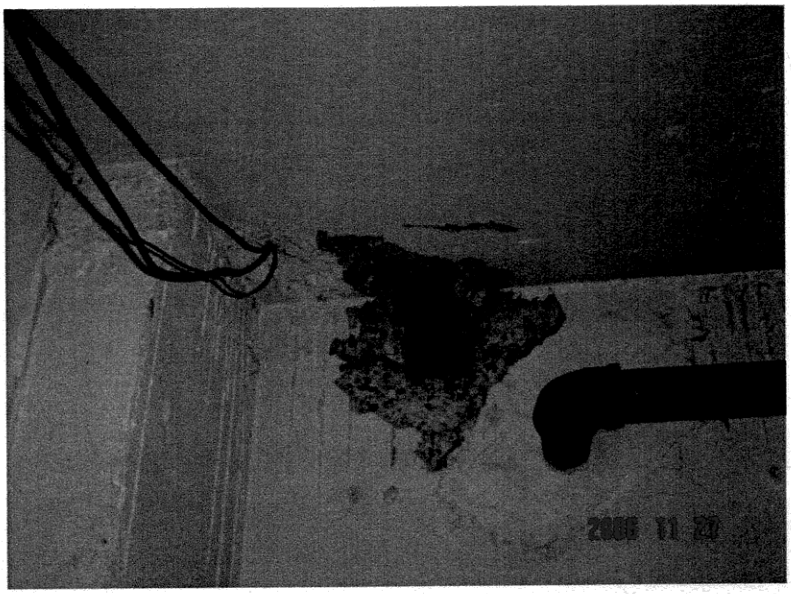


Photo 4: Exposed Metal in Mechanical Room.

4.5 Roofing

4.5.1 Visual Observations

The roof of the building is a built-up roof with a 4-ply felt and asphalt membrane protected by a gravel surface. Galvanized steel flashing is located along the perimeter. As reported by a Board member, the roof on this building was replaced in 1998 and therefore is 9 years old.

Error ?: 1998 + 15 = 2013 or

4.5.2 Conclusion and Recommendations

1998 + 25 = 2023, As 2007 ??

The service life of a built-up roof system is between 15 and 25 years. An allowance of $53,000 has been included to replace the roof in 2007 and every 25 years subsequent. The allowance includes the installation of new flashing, vents, and replacement of roof sheathing. An allowance of $6,000 has been included in the Study for roof maintenance in ten years and every ten years thereafter.

Done from operating funds; not Reserve.

4.6 Exterior Cladding

4.6.1 Visual Observations

The building is clad with brick masonry and it was reported that the building underwent a brick retrofit program in 2005. Repairs included mortar repair, brick work and window caulking. Upon review of the building's exterior, the brick masonry was noted to be in good condition.

The main entrance is complete with an overhead canopy.

4.6.2 Conclusion and Recommendations

Brick masonry is anticipated to last the life of the building. However, during the service life, repairs to the brick will be required. Re-pointing of the joints and repair of cracks are some of the repairs that may be required. An allowance of $34,000 has been included in the Study for repairs to the brick every 15 years, starting in 11 years.

An overhead canopy has an anticipated service life of ten years after which replacement may be required. An allowance of $4,000 has been included to replace the canopy in five years and every ten years subsequent.

4.7 Decks and Patios

4.7.1 Visual Observations

The patios and balconies are constructed of concrete. The patios and balconies reviewed generally appeared to be in good condition. However, some of the balconies showed signs of surface cracking and paint deterioration.

4.7.2 Conclusion and Recommendations

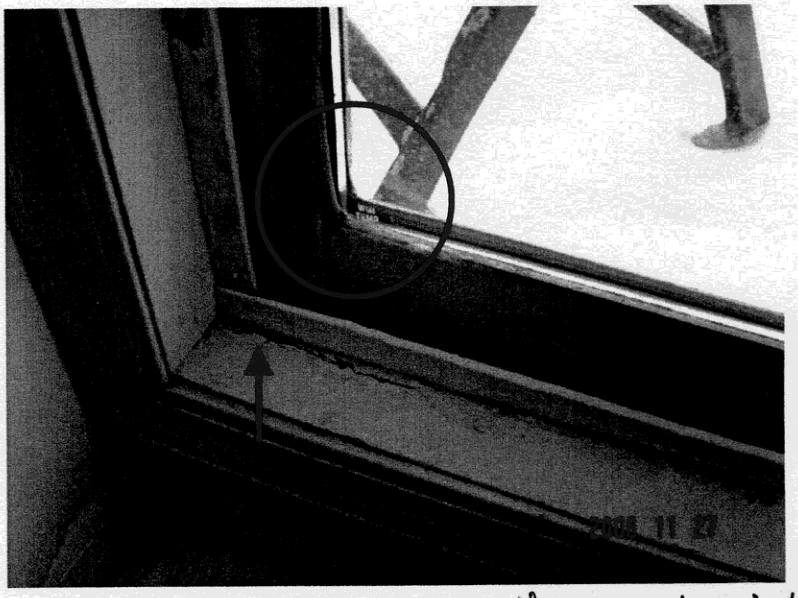
The concrete patios and balconies are expected to last the life of the building. However, repairs to the concrete patios and balconies may be required during their service life. Repairs may include crack repair or surface deterioration. An allowance of $10,000 has been included in the Study in five years, and every five years subsequent.

4.8 Windows and Doors

4.8.1 Visual Observations

See our Plan.

The majority of the windows in the complex are wood framed with aluminum inserts. The windows consist of fixed and slider panes. The windows appeared to be in poor condition and at the time of review, ice build-up and seal damage was noted on units reviewed (Photos 5 and 6).



Sure; needs painting - owner's job.

Photo 5: Window Wood Damage and Seal Failure.

← This suite was running humidifier all winter!

Photo 6: Ice Build Up

The suite balcony doors reviewed had two types of doors. Type 1 consisted of sliding patio doors with one fixed sash and one operable sliding sash. Type 2 consisted of a wood framed style with fixed insulated glazing (IG) units (French door). The sliding patio doors reviewed were in poor shape and showed signs of water leakage and ice build-up. The French doors reviewed appeared to be in fair condition.

The interior doors to each suite were wood construction. The doors that were reviewed appeared to be in good condition.

The buildings' entrance doors are aluminum framed glass doors with fixed IG units. The entrance doors appeared to be in fair condition.

Insulated, fire rated metal doors (1 ½ hour rating) provide access to the hallways from the main stairwells.

4.8.2 Conclusion and Recommendations

* Please see our Reserve Plan. Corporation will cost share 50-50 with suite owners to replace.

Aluminum windows with single pane sliding windows were used extensively in the 1970's and early 1980's. These windows do not meet current standards for air and water leakage. It is very difficult to make this style of window air and waterproof, as each pane of glass is allowed to slide and therefore no positive seal can be obtained between the glass and the tracks. The lack of seal allows water entry and air infiltration. The air movement in the winter season contributes to condensation and frosting on the glass surfaces which may lead to deterioration of the surrounding wood framing. An allowance of $276,000 has been included in the Study to replace windows in two years, phased over four years and every 30 years subsequent.

Due to the concern of moisture infiltration into the walls, we recommend review of the Building Envelope surrounding the windows. If review of the building envelope indicates this is not a concern, the replacement of the windows could be extended.

$6000 has been included in the Study for IG unit repair in 17 years and every 15 years subsequent.

The sealed units in the sliding patio doors tend to fail in a similar manner to the windows and therefore have a similar life expectancy. An allowance of $132,000 has been included to replace the patio doors in two years, and every 30 years subsequent, phased over four years.

Painting of the suite hallway doors has been scheduled to occur simultaneously when the corridors are to be refurbished. Therefore an allowance of $5,000 has been included to do the work in three years, phased over three years and every ten years subsequent.

Replacement of the main entrance doors to the building has been included in the Study to occur in 10 years and every 30 years subsequent. An allowance of $5,000 has been included to replace these doors in 2017.

Noted.

Fire rated doors for electrical room and mechanical room do not meet code and should be replaced as soon as possible. An allowance of $10,000 has been included to replace these doors in 2007 and every 30 years subsequent.

4.9 Eavestroughs

4.9.1 Visual Observations

Due to the configuration of the building there was no eavestroughs noted. Drains located on the roof provide drainage for the complex.

4.9.2 Conclusions and Recommendations

Roof drains in time can become restricted with debris and will require regular maintenance. Clearing of roof drains was not included in the Study, but should be included as regular maintenance.

4.10 Interior Finishes

4.10.1 Visual Observations

The main lobby (Photo 7) was finished with tiled flooring, painted walls, and a painted ceiling. The tile appeared to be in good condition while the wall coverings and ceiling appeared to be in fair condition.

The hallways are finished with carpet flooring, painted walls, and painted ceilings. The flooring, walls, and ceilings appeared to be in fair condition. The wallpaper had areas which were showing signs of wear or had been damaged.

The stairwells of the building had painted walls, ceilings, floors, landings and stairs which all appeared to be in good condition.

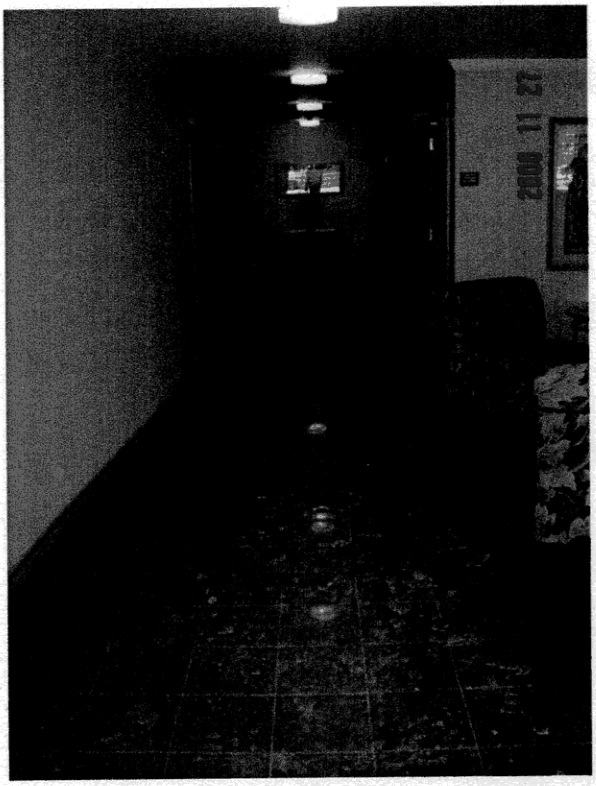


Photo 7:Main Entrance

Furnishings are located throughout the main floor, some of the items include sofa chairs, end tables and various artwork.

Main mechanical room walls are painted slab in place concrete with an insulated ceiling (Photo 8).

Photo 8: Insulated Mechanical Room Ceiling

4.10.2 Conclusion and Recommendations

The flooring of the building varies and therefore has different service life cycles. An allowance of $47,000 has been included to replace the flooring throughout the building every ten years starting in three years and phased over three years.

The different wall coverings around the building also have differing service life. An allowance of $54,000 has been included to replace wall coverings in the building every ten years starting in three years and phased over three years.

An allowance of $15,000 to paint the ceilings has been included in the Study in three years and every ten years thereafter.

Furnishing replacement is included in the Study. An allowance of $5,000 has been included in three years and every ten years thereafter.

The mechanical room ceiling insulation is detaching and should be repaired as soon as possible. An allowance has not been included as these repairs are considered as a maintenance item. Done, June of 2007.

4.11 Mechanical Systems

We feel our mechanicals are well maintained by Adelard and others.

Generally, the mechanical systems in the complex appear to be moderately maintained. Major pieces of mechanical equipment in the building include: hot water heating boilers, gas-fired domestic hot water (DHW) tanks, fire protection system, and a corridor pressurization make-up air unit.

The service life of the mechanical equipment given in this report is the median service life according to ASHRAE and based on the apparent year of installation, current condition, and the evaluation by Morrison Hershfield. This is the time that the equipment might be expected to remain in operation before replacement. Replacement may occur for any reason including, but not limited to, failure, general obsolescence or reduced reliability (excessive maintenance costs).

4.12 Sewer, Storm, and Water

4.12.1 Visual Observations

As with all properties, sewer, water, and storm sewer lines are underground and therefore out of view for inspection. Normally the components (valves, pipes, etc.) will last the life of the structure without requiring major repairs. If a repair is required; however, the cost can be very high, simply because of the nature of the work. As an example, a collapsed storm drain line or plugged sewer line requires extensive excavation, resulting in high labor and equipment charges.

The majority of the visible domestic water distribution piping appears to be original and consists of copper piping. Where observed, the piping appeared to be in moderate condition. The main water service enters the building from under the slab on the north side of the building. The main 4-inch line splits into a 4-inch sprinkler line and a 2-inch domestic water main. The main water meter in the building is 2-inch and is complete with two double check valve assemblies (back-flow preventers) and main shut off valves.

The sanitary sewer system drains effluent from the building plumbing fixtures and floor drains within the building. The building drainage starts at the to[illegible] the building and via risers collects sanitary effluent from each floor where [illegible]

risers collect in the parkade and leave the building by means of a 6 inch sanitary main complete with cleanouts which tie into the City of Calgary sanitary sewer system on 14th Ave. S.W.

The storm piping consists of roof drains, piping risers and the associated underground piping, which primarily provide the drainage for the water run-off from the building's roof. The existing on site storm systems collects rainwater run off and snow melt, which then ties into the City of Calgary main storm system located on 14th Ave. S.W.

Storm sump pump system is located in the lower level of the building.

4.12.2 Conclusions and Recommendations

It is difficult to predict the need or magnitude of repairs to the sewer, water, and storm lines and therefore the associated financial requirements. We recommend that a minimum balance be kept in the reserve fund to reduce the financial burden of a repair. Depending on the specific repair, the balance in the reserve fund may cover the expense; however, if there were a shortage of funds then a special assessment would be required. For this complex we recommend that a minimum balance of $25,000 be kept in any given year to acknowledge the potential for sewer, storm and water problems and repairs.

The main sanitary lines should be power flushed every two years to assist in preventing potential backups.

Due to the age of the building it is highly recommended to scope the main sanitary and storm piping to review the condition of the piping to review debris build-up and/or possible damage. Done May, 2007; found to be clear.

Notes:

- **Cleaning of the sump pump, area drains, roof drains, and piping systems should be a part of the preventative maintenance schedule.** Yes, done. ✓

4.13 Domestic Hot Water/Heating Systems

4.13.1 Visual Observations

The mechanical room located on the lower level of the building houses the main heating boilers, heating pumps, expansion tank, domestic hot water (DHW) tanks, recirculation pump, and the corridor pressurization unit. Refer to the following table, which lists the major mechanical equipment located in the building.

Equipment	Darlington Arms
Boilers	(1) Teledyne Lars Model A2000700 serial # C02F04652, 715,000 Btu/hr input, 579,150 Btu/hr output complete with Armstrong circulating pump. (2) Teledyne Lars Model A2000700 serial # C02F04651, 715,000 Btu/hr input, 579,150 Btu/hr output complete with Armstrong circulating pump.
Boiler Controller	(1) Tekmar Boiler Controller 254
Heating Pumps	(1) Bell & Gossett PD 37 T serial HK c/w Armstrong Pump model 816032-000 serial # 0605 c/w ¾ HP century motor. (2) Bell & Gossett PD 37 T serial HK c/w Armstrong Pump model 816032-000 serial #1096 c/w ¾ HP century motor.
Expansion Tank	(1) Extrol model 300L serial number 116197 installed in 2003

Domestic Hot Water Tanks	(1).A.O. Smith Model BTRC251 110 serial number MG02-1827959-110; 225,900 Btu/hr input, 65 gallon capacity, 218.7 gal/hour recovery (2).A.O. Smith Model BTR 251 LOON000582104 251,000 Btu/hr input, 65 gallon capacity, 205.4 gal/hour recovery
Recirculation Pump	(1).Equipment tag not Accessible (pump was replaced in 2000). Replaced along with entire recirculation system, about 2000.
Corridor Pressurization MUA Unit	(1).Reznor Model X-350-6: Serial number EAPF31M2N36887, 315,000 Btu/hr input (High altitude), 242,000 Btu/hr output (High Altitude)
Back-flow Preventers	(1) (Boiler Make Up) Located in lower mechanical room. ½ " Watts Model 009 QT serial number A06969 installed October 26th, 2006. (2) (Sprinkler Riser) Located in sprinkler room. 4" Watts Model 709, serial number 164859, installed July 10th , 1989 and was last inspected January 12, 2006. (3) (Domestic Water) Located in sprinkler room: 1 1/2" Watts Model 007M2QT serial number 68486 installed September 16th, 2002 and last inspected January 12, 2006. (4) (Domestic Water) Located in sprinkler room: 1 1/2" Watts Model 007M2QT serial number 6754 installed September 16th, 2002 and last inspected January 12, 2006.
Booster Pump	Booster Pump located in sprinkler room. Equipment tag not accessible.
Parkade MUA Units	None installed
Parkade Exhaust Fan	(1) Parkade exhaust fan located in south east corner of parkade. Equipment tag not accessible.

CO Detectors	*Vulcain model VA-201M serviced August 9, 2006.*
Exhaust Fans	Miscellaneous exhaust fans are located on the roof.

The central heating system in the building consists of two hot water heating boilers complete with a Tekmar indoor/outdoor controller that is used to schedule the temperature of the heating water in response to the outside air temperature, as an energy savings measure.

The expansion tank is installed as part of the central heating system. These allow compensation for the expansion and contraction of the water in the heating system. These are often considered a sacrificial item in the heating system since any corrosion that occurs in the system is concentrated at this point. A chemical treatment company should be employed (this may already be included in the maintenance provided by the mechanical service contractor) to verify the composition of the heating water and suggest appropriate treatment.

Heating water is circulated throughout the building via the main heating pumps. Heating water is circulated to the various heating medias (such as the suite radiation cabinets and entrance heater) throughout the building. The temperature is regulated via the appropriate local thermostat.

The heating water distribution piping within the mechanical rooms is black iron piping. The visible piping appears to be moderately supported and in moderate condition. Visible heating water piping throughout the balance of the building appears to be a combination of black iron and copper. For this reason, the building mechanical contractor should be vigilant in maintaining the appropriate levels of chemical treatment.

There is a recirculation pump complete with shut-off valves which provides instantaneous hot water to the suites. Visible recirculation piping is not original and has been replaced. Yup; year 2000.

The visible heating water piping and domestic hot water piping is non-insulated. It was also noted the boiler and DHW tank flues are not insulated.*

Explored with plumber and contractor; no purpose seen. Waste heat warms building.

The majority of the valves in the mechanical room are not tagged, nor is there any obvious valve schedule in the mechanical room. Didn't find the clip board?

4.13.2 Conclusions and Recommendations

The boilers and the boiler circulating pumps were installed in 2002 and are in like new condition.

The existing two domestic water heaters appear to have been installed within the last five years. Domestic hot water tank #1 was replaced in 2003 and domestic hot water tank #2 was replaced in 2002. This type of water heater should typically last ten to fifteen years, depending on how well they are maintained.

Domestic hot water systems of this magnitude have a recirculation system, which ensures hot water to the user almost instantaneously. A fractional horsepower domestic hot water recirculation pump is located in the mechanical room complete with shut-off valves. A fractional horsepower domestic hot water recirculation pump will generally last 5-10 years depending on how it has been sized and the environment it is located in. Recirculation piping typically has a life span of 20-25 years.

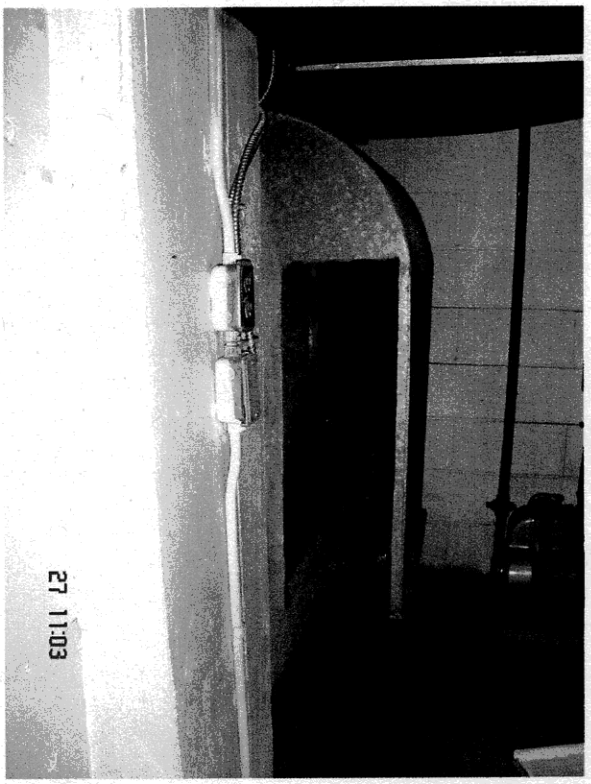
The hot water heating piping and the domestic hot water heating piping have no insulation. Canvas wrap insulation should be reviewed as an energy savings measure.

Flues for the hot water heating boilers and the domestic hot water tanks are not insulated. Canvas wrap insulation for the flues should be reviewed as an energy savings item. See notes above.

Notes:

- **Main Mechanical Room – The initial combustion air (C/A) intake (Photo 9) did meet code and was sized properly for the equipment in the mechanical room. However the modification to the existi**

ductwork now violates the code: Natural Gas and Propane Installation Code (CAN/CSA-B149.1-05 Section 8.2.6 (a) (ii) The openings shall be as follows: be located not more than 18 in (450mm) or less than 6 in (150mm) above floor level. The combustion air duct should be retrofit to be code however if there has been a problem regarding combustion air further investigation should be done as this may be a safety issue.



Cowling replaced in June of 2007.

Photo 9: Combustion Air

- **Main Mechanical Room- The pressure relief valve on the boiler is relieving and causing water (Photo 10) to be distributed throughout the mechanical room.** Valve replaced in May of 2007.

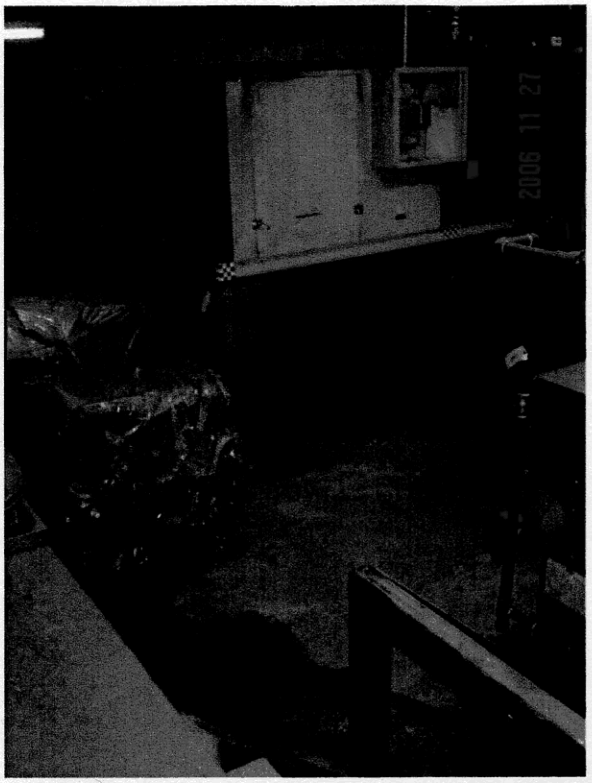


Photo 10: Faulty Pressure Relief

- **Several locations (ceilings and walls) in the parkade and the lower level including the mechanical room and the sprinkler room have several openings that penetrate fire separations and are not properly sealed and therefore do not meet code. These openings and penetrations should be sealed as soon as possible.** Done.

- **The hot and cold taps (Photo 11) in the mechanical room and the exterior hose bib (Photo 12) require vacuum breakers to meet code.** all done.

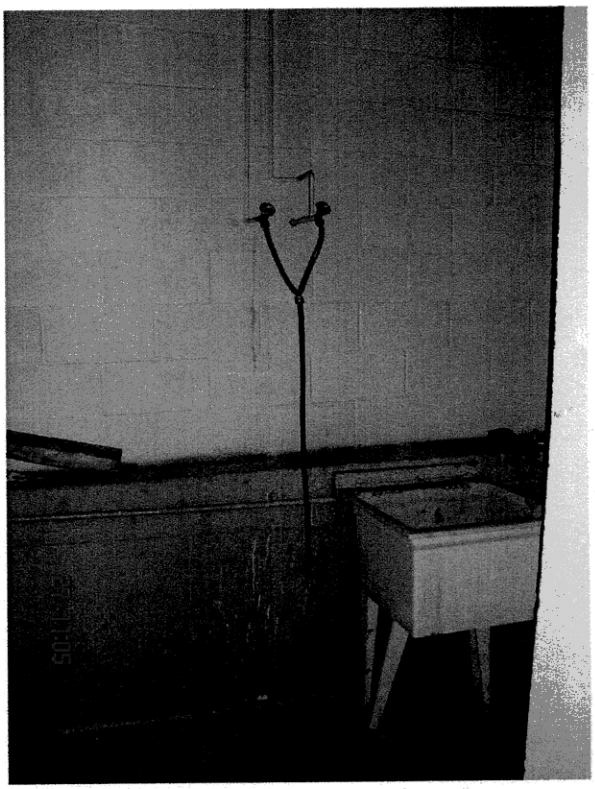


Photo 11: Hot and Cold Fitting

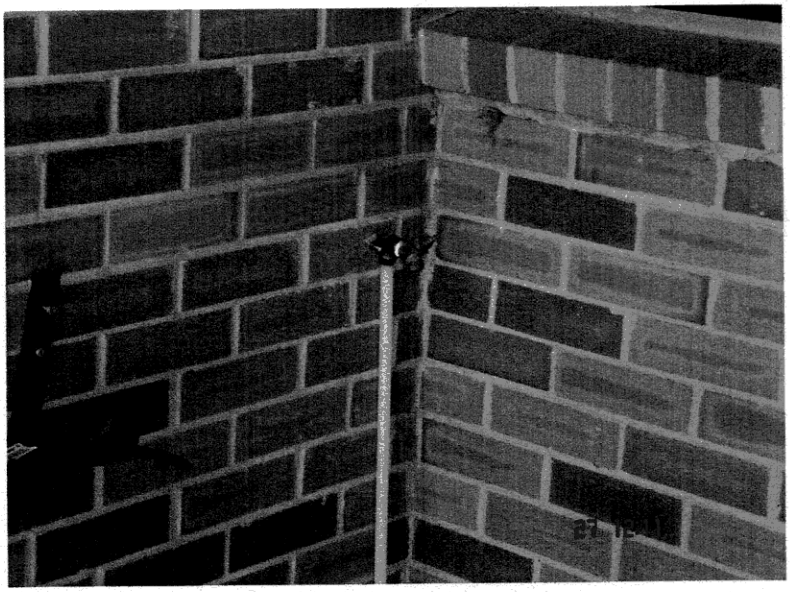


Photo 12: Exterior Hose Bibb

4.14 Ventilation

4.14.1 Visual Observations

A corridor pressurization make-up air (MUA) unit is located in the main mechanical room. This unit requires regularly scheduled maintenance. The unit provides tempered air to the hallways to replace air being extracted by the washroom and kitchen exhaust fans.

The parkade exhaust fan is located in the south east corner of the parkade. This unit when activated by the CO detection system, draws un-tempered outside air through two openings in the main parkade door. (Enlarged openings to four larger grilles in June, 2007).

4.14.2 Conclusions and Recommendations

Due to its constant run time, the corridor pressurization unit is scheduled for replacement every 20 years.

The existing parkade ventilation system does not meet code.

Note:

The existing parkade ventilation system does not meet code. The parkade should have a ventilation system consisting of a make-up air unit (provide tempered air), related exhaust fan(s) and a CO detection system. The parkade will also be required to be heated. We have – see above.

We do not agree parkade should be heated – a huge energy waste.

4.15 Fire Suppression Systems

4.15.1 Visual Observations

The fire suppression system consists of a sprinkler piping system with pendant heads located throughout the parkade. Fire cabinets complete with fire extinguishers are appropriately located in the corridors and the parkade. There are the appropriate fire extinguishers located in the mechanical room and the electrical. The extinguishers appear to have been inspected annually with the most recent inspection occurring May of 2006.

Six extra sprinkler heads (Photo 13) with a specialized sprinkler wrench are located in the sprinkler room. NFPA standards state a hydraulic design placard must be displayed on the sprinkler system riser.

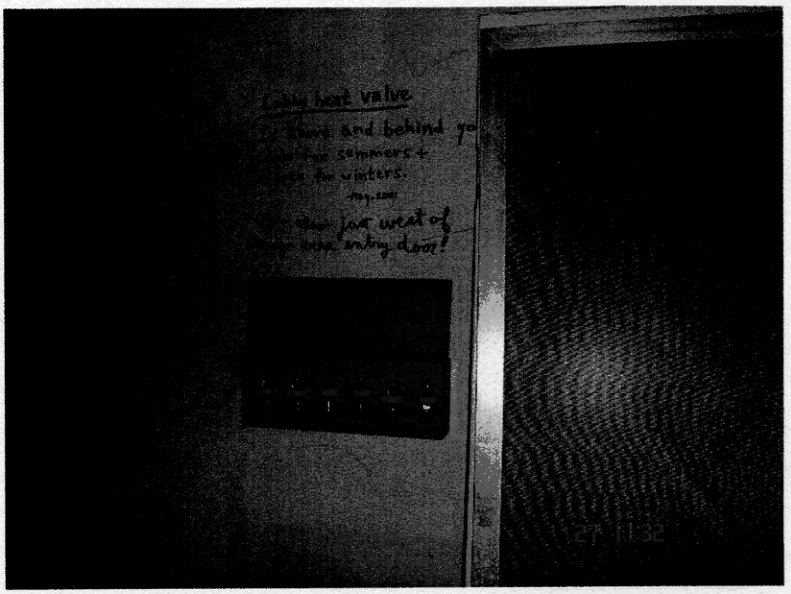


Photo 13: Spare Sprinkler Heads.

4.15.2 Conclusions and Recommendations

The fire extinguisher in the mechanical room requires proper mounting. OK
Extinguishers should continue to be inspected on an annual basis, and replaced as scheduled. It is recommended the hydraulic design placard be installed on the sprinkler riser.

All hose cabinets should be complete with fire extinguisher. They are! ✓

4.16 Natural Gas

4.16.1 Visual Observations

A natural gas meter distributes gas to the equipment in the related mechanical rooms.

4.16.2 Conclusions and Recommendations

Gas regulators are considered part of regular maintenance and are not included in the Study. The remainder of the natural gas system should last the life of the building.

4.17 Miscellaneous Systems

4.17.1 Visual Observations

The garbage area is ventilated with a local exhaust fan and a transfer grille.

Several exhaust fans are located on the roof which exhaust air from the suite washrooms.

Elevator room is complete with an exhaust fan and an intake louver complete with back draft damper.

Janitor's sink located on main floor washer-dryer room. Room is complete with radiation heating.

4.17.2 Conclusions and Recommendations

The force flow cabinet heaters should last the life of the building if they are well maintained.

An allowance has been made in the Study for the retrofit of the exhaust fans.

4.18 Electrical Services

4.18.1 Visual Observations

The electrical site review was undertaken on November 27, 2006. The review entailed a general walk-through of the boiler and electrical rooms, the basement, the public circulation areas, and the exterior. Focus of the review was to identify the life-cycle of the existing conditions (electrically) and some general commentary regarding maintenance issues.

4.19 Power Distribution

4.19.1 Visual Observations

The building is serviced at 400A, 120/208V, three phase, from an exterior utility-owned padmount transformer. The main switch and distribution center are original rated at 400A, and are located in a separate room in the basement. From here 100A services are provided to meter centers are located on Floors 2 through 7. Each suite is separately metered and serviced at 50A, 120/208V, single phase. A separate meter and panelboard rated at 200A are provided for the "public" loads, such as corridors, storage areas, service rooms, laundry room equipment, elevator equipment and exterior entry lighting. The exterior car heater receptacles are also serviced from the "public" meter. Receptacles in public circulation spaces appear operational with the exception of the floor box in the lobby which was found to be loose.

Repaired May 2007.

4.19.2 Conclusion and Recommendations

The power distribution system appears to be in reasonably good condition having an estimated 20% remaining on an estimated life of 45 years. Entire system inspected by Viking Electric in May of 2007, and all components in good condition; 20% remaining ??

4.20 Interior Lighting

4.20.1 Visual Observations

Interior corridor lighting consists primarily of surface ceiling lights using fluorescent lamps. Storage and utility rooms utilize surface ceiling mounted fluorescent luminaries with 34W T-12 lamps and magnetic ballasts. Stairs have a pair of surface ceiling lights similar to corridors above each landing. The parking garage uses a combination of lighting and lamp types and light levels were found to be poor. Entirely upgraded in May of 2007.

4.20.2 Conclusion and Recommendations

The interior lighting, other than the parking garage, is in reasonable condition having been upgraded with energy efficient lamps. Some additional recommendations for upgrades are as follows: 1) Replacement fluorescent lamps in surface fixtures including new lighting for the garage should utiliz

Done.

T8 lamp technology. 2) Install occupancy sensors in storage rooms, janitor closets and Service rooms. These can generally replace existing line voltage switches and will provide immediate paybacks on energy savings.

'No need – we actually turn the lights off.

4.21 Emergency and Exit Lighting

4.21.1 Visual Observations

Selected lights and exit lights within the building are fed from a small gas fired emergency power generator located in the Boiler Room. The generator is fueled by natural gas and is rated for 2.5kVA, 120/240V, single-phase. The accompanying transfer switch is a Zenith contactor type. Exit lights on the upper floors are original glass wedge type with retro-fit fluorescent PL lamps and are generally in working condition. Exit lights on the lower level are newer integral battery-pack type.

4.21.2 Conclusion and Recommendations

The emergency generator and associated battery with battery charger appear to be in marginally poor condition. The generator has not been stickered for operational checks. Both the generator system and the exit lights are not compliant with the current code. Consideration should be made to provide a battery operated emergency lighting system and new exit lights. All being done in June of 2007.

4.22 Exterior Lighting and Plugs

4.22.1 Visual Observations

Exterior lighting consists of a number of wall-mounted 70W HPS high intensity discharge (HID) floodlighting casting light into the parking lot at the back and sides of the building. The front main entrance consists of two high pressure sodium fixtures. Exterior lighting appears to be controlled from a photocell contactor in the basement boiler room.

Exterior car heater receptacles are surface mounted along the rear perimeter wall with cast boxes and EMT conduit. Additional receptacles with weatherproof covers are provided on the building perimeter.

4.22.2 Conclusion and Recommendations

The exterior lighting appears to be in good condition. The exterior receptacles are in fair condition.

4.23 Fire Alarm Systems

4.23.1 Visual Observations

The Fire Alarm system is an old Simplex 120VAC system which is fed from a separate unmetered disconnect switch taken right off the main incoming service switch. The system has smoke detectors in the corridors, manual pull stations, and 24VAC, 6inch vibrating bells, and a lamp field annunciator in the main entrance vestibule. The system was stickered for operational checks by Sprouse Fire & Safety dated May 5, 2006. The Fire Alarm System does not meet current code for several reasons as follows:

Fire Alarm System is to be supervised. The fire alarm system has reached the end of its life cycle. Manufactured parts are no longer available which compromises the maintainability of the system. Since the system devices are not supervised, there is no way of knowing if the system has failed between annual testing audits which could leave the building without a fire alarm system. It is recommended the system be replaced).

System is to be operable on battery power for a period of 30 min.

Strobe alarms are required through-out public circulation spaces.

Strobe/Audible alarms with silence switch are required in each suite. Sprouse Fire and Safety tells us these are not required in suites unless our "use" changes.

Automatic detection connected to the Fire Alarm panel is required in each suite.

4.23.2 Conclusion and Recommendations

The Fire alarm system is original and is at the end of its expected life. System maintenance will become increasingly more difficult and replacement parts

will no longer be available. The fire alarm system should be scheduled for replacement. 'Entirely replaced in June of 2007.

4.24 Cable Television & Telephone

4.24.1 Visual Observations

A Shaw cable and Telus phone service is run into the building and distributed from cabinets located in the mechanical room.

4.24.2 Conclusion and Recommendations

The cable television distribution system is owned by the utility, in this case Shaw, and is their responsibility to maintain. The telephone cable plant is part of the condominium, requiring no maintenance, and should last the lifetime of the building.

4.25 Door Intercom & Security

4.25.1 Visual Observations

The door intercom system is an older Mircom system and appears to be operating correctly. The entry vestibule and lobby, garbage room and basement corridor are monitored with a four-camera DVD recorder system. No tenant complaints noted.

4.25.2 Conclusion and Recommendations

Typically the door intercom and camera system can be expected to fail due to extent of usage and age. Normal life expectancy of the system is 20 years.

4.26 Elevators

The building has ~~with~~ one elevator. The review of the elevator was completed by KJA Consultants Inc. on November 27, 2006. During the review of the elevator, it was noted that an allowance should be set aside for major control modernization, code changes and to repair vandalism to the elevator cab, new

cab interiors, and barrier free recommendations. A more detailed report is provided in Appendix B.

5. RESERVE FUND

Two tables are included in this Engineered Reserve Fund Report and are provided in Appendix A. Table 1 is the "Replacement Cost Summary" and Table 2 is the "25-Year Cash- Flow Plan".

5.1 Replacement Cost Summary

Reserve Fund Table 1 identifies major repair and replacement costs for common property. All replacement costs are in year 2007 dollars, and include consulting fees. We have predicted remaining life expectancies for the components based on our site review. We have further taken into consideration the type and extent of maintenance work, and related these findings to buildings of similar construction and services. The "Adjustment To Life Expectancy" reflects the present condition; therefore variations in condition or materials used may result in the "Time To First Replacement" differing from the normal arithmetical difference between the "Normal Life Expectancy" and the "Present Age".

We have reviewed recent overall economic inflation rates and rates of escalation of construction costs in Alberta. Costs for repairs or replacements are based on:

- Past bid prices on similar projects.
- Verbal quotations from Contractors.
- R.S. Means Cost Data Reference.

5.2 Twenty-Five Year Cash-Flow Plan

5.2.1 Explanation of Cash-Flow Plan

Table 2 is a twenty-five year cash-flow plan for the major repair and/or replacement of common property items within the complex. In Table 2, a replacement cost and/or contingency cost for major repairs is shown, under the appropriate year recommended for the replacement, for each of the common property items. The actual year and extent of the work may vary from the table. The assumed inflation rate (which, for the purposes of this study,

remains constant during the twenty-five year period) is accounted for in the replacement cost figures. The expenditures have been summed for each year in the schedule, and are listed as "Total Expenses".

The interest amounts represent money earned from interest on bank deposits at the assumed yearly interest rate. The expenses in any year are assumed spent at the beginning of that year.

The contribution amount for any given year is calculated by increasing the previous year's contribution based on the assumed inflation rate. All dollar values provided in Table 2 are in the dollars of the year in question. Contributions for a particular expense item are generally averaged out and collected over the period preceding the expense year.

The concept of a reserve fund is to plan to have a reasonable amount in the fund to meet predictable major expenses (such as painting or roof replacement) and to maintain a minimum contingency balance in the account to meet emergency expenses. For this complex we recommend that a combined minimum balance of $125,000 be kept in any given year to acknowledge the potential for problems and repairs.

5.2.2 Input for Cash-Flow Plan

In calculating the twenty-five year cash-flow plan, we have used the inflation rate of 5.0% and 2.0% interest rates that the Board provided to use to use in the Study. The present age of the common-property items of the complex and the associated site facilities are taken to be 38 years unless otherwise known.

Table 2 starts in with your current reserve fund balance of $95,000, which was supplied to us by Barry Meckleberg of Consolidated Real Estates Services Inc. on behalf of the Board of Directors for Darlington Arms Condominium Corporation.

5.3 Discussion of Cash-Flow Plan

The annual contribution figures listed in Table 2 represent only one scenario of contributions, and is not intended to imply that this is the only acceptable cash-flow plan.

It is our opinion that the actual Reserve Fund contributions should be determined by the Board of Directors (using our recommendations as a guide) in consort with their property management firm and accountant, to properly reflect the perceived needs and planning objectives set out by the Board.

Provided below are two scenarios, the first of which outlines the cash flow using the current contribution level, increased by inflation only over the entire study period. The second scenario involves an increase in contributions such that adequate funds are available to meet the anticipated expenditures.

As mentioned, **Scenario 1** presents the implications of maintaining the current reserve funding strategy. With the current annual contribution of $30,000, and with an increase to the annual contribution of your estimated inflation rate of 5.0% starting in 2007 for the remainder of the study period, the Reserve Fund experiences a negative balance at the end of fiscal year 2007. This is due to several compounding repair costs, some of which are summarized in the previous sections of this report. The fund does not recover over the remaining study period.

In order to maintain the fund in a positive balance, we anticipate that an increase in contribution levels is required. In **Scenario 2**, we have proposed an increase to the annual contribution in the amount of $22,500 for a total $52,500 in the year 2007. In the following years, 2008 to 2012, the increase in the annual contribution is only due to inflation as directed by the Board (5.0%). In addition to the increase in annual contributions in the years 2007 to 2012, it is prudent to include a lump sum contribution in those years in order to cover the high expenditures that have been recommended in the Study. The lump sum contribution in the year 2007 is $80,000 and $100,000 in the year 2009. The lump sum contribution in 2009 if $449,820 is for the window and patio door replacement. The lump sum contribution in 2010 of $221,106 is for the elevator retrofit. The lump sum contributions in 2011 abd 2012 is $120,000.

In 2013 another increase, in the annual contributions, is anticipated in order to cover the future expenses of the various common items listed in the previous sections of this report. We have proposed an increase to the annual contributions in the amount of 52.0% including inflation in the year 2013. After 2013, we suggest leveling the contributions amounts to inflation increases only may be feasible; however, updating the study will provide recommendations for any future contribution amount changes.

6. SUMMARY

Morrison Hershfield Limited was retained by Consolidated Real Estate Services Inc. to provide a Reserve Fund Study, on the Darlington Arms Condominium, for the repair and replacement of common property. A visual survey of the building components has been conducted and specified items discussed. We have provided an assessment of life expectancies and replacement costs, in year 2007 dollars and year 2007 construction and material costs, for each item we included, together with an annual reserve fund contribution for each item.

Based on our review of the actual condition of the components and their replacement costs, a cash-flow plan for the Reserve Fund is presented in Appendix A, Table 2.

A summary of the Reserve Fund Study expenses for the next five years is included in Table 6.1:

Table 6.1: Five-Year Expense Summary for Darlington Arms

Item		Year(s)	Repair or Replacement Cost
4.3	Driveways, slab-on-grade concrete, and asphalt parking	2009	$1,103
4.4	Structural Components	2007	$20,000
4.8	Windows and Doors	2009	$449,820
4.10	Interior Finishes	2010, 2011	$97,549
4.12	Sewer, Storm, and Water	2007, 2009, 2011	$12,955
4.13	Domestic Hot Water/Heating System	2009	$139,963
4.15	Fire Suppression Systems	2009	$11,025
4.17	Miscellaneous Systems	2007	$10,000
4.20	Interior Lighting Fixtures - Common Area	2007	$2,800
4.22	Exterior Lights and Plugs	2007, 2011	$38,799
4.26	Elevator	2008	$221,106

The Reserve Fund Study should be used as a general guide for the next five years. The prediction of life expectancy, and costs associated with replacement are subject to pro

maintenance and repair. In light of this information we recommend that your reserve fund be reviewed every three to five years in order to achieve an accurate record of the site conditions and replacement costs.

7. CONCLUSION

The preceding report was prepared by Morrison Hershfield Limited. Authors of the report are employees of Morrison Hershfield Limited and are not employees or agents of, or otherwise associated with, the Condominium Corporation or any person who performs management or maintenance services for the Condominium Corporation.

In issuing this report Morrison Hershfield Limited does not assume any of the duties or liabilities of the designers, builders or owners of the subject property. Owners, prospective purchasers, tenants or others who rely on the contents of this report do so with the understanding as to the limitations of the general visual inspection undertaken, and understand that Morrison Hershfield cannot be held liable for damages they may suffer in respect to the purchase, ownership, use, or other interests they may have in the subject property.

Findings presented are based on random sampling and visual review of surface conditions. No dismantling of components was completed during our review. Accordingly, the findings in this report describe the general condition of the complex. The report is not intended to be a definitive scope of required improvements for the property.

MORRISON HERSHFIELD LIMITED

Brent Nabozniak

Permit Number: P2277

Gary Marks, P.Eng
Senior Mechanical Engineer

PROFESSIONAL ENGINEER ALBERTA G. B. MARKS

APPENDIX A

RESERVE FUND TABLES

Our Board does not agree with many of the assumptions made here. Please refer to our adopted Reserve Fund Plan.

Table 1 - Replacement Cost Summary - Scenario 1
Darlington Arms - April 10, 2007

Item No.	Item	Recommendations	Normal Life Expectancy	Present Age	Adjustment To Life Expectancy	Time To First Replacement	Time to Subsequent Replacements	Years Over Which Work is Phased	Repair or Replacement Costs
4.2a	Landscaping	Replace Metal Fences	30	3	0	27	30	1	$25,000
4.2b	Landscaping	Paint Metal Fence	10	3	0	7	10	1	$5,000
4.2c	Landscaping	Replace Motorized Gate	10	3	0	7	10	1	$6,000
4.3a	Driveways and Slab On Grade Concrete	Repair Concrete Slab / Retaining Walls	30	38	5	5	5	1	$20,000
4.3b	Driveways and Slab On Grade Concrete	Replacement to Asphalt	30	10	0	20	30	1	$50,000
4.3c	Driveways and Slab On Grade Concrete	Repairs to Asphalt	5	3	0	2	5	1	$1,000
4.4a	Structural Components	Repairs to Structural Components in Parkade	30	38	0	0	5	1	$20,000
4.5a	Roofing	Roof Replacement	25	9	0	16	25	1	$53,000
4.5b	Roofing	Roof Repairs	10	9	10	11	10	1	$1,000
4.6a	Exterior Cladding	Brick Repairs and Re-pointing North and West Faces	15	4	0	11	15	1	$17,000
4.6b	Exterior Cladding	Brick Repairs and Re-pointing South and East faces	15	4	0	11	15	1	$17,000
4.6c	Exterior Cladding	Replacement of canopy	10	5	0	5	10	1	$4,000
4.7a	Decks and Patios	Balcony Concrete Repairs	30	38	10	10	10	1	$10,000
4.8a	Windows and Doors	Window Replacement	30	38	2	10	30	1	$276,000
4.8b	Windows and Doors	Insulated Glazing Unit Replacement and Repair	15	0	2	17	15	1	$6,000
4.8c	Windows and Doors	Patio Door Replacement	30	38	2	2	30	1	$132,000
4.8d	Windows and Doors	Painting Wood Doors	10	38	3	3	10	3	$5,000
4.8e	Windows and Doors	Replacement of Entrance Doors	30	38	10	10	30	1	$5,000
4.8f	Windows and Doors	Replacement of Mechanical / Electrial / Sprinkler Doors	30	38	0	0	30	1	$10,000
4.10a	Interior Finishes	Carpet Replacement	10	10	3	3	10	3	$47,000
4.10b	Interior Finishes	Wallpaper Replacement	10	15	0	3	10	3	$54,000

Table 1 - Replacement Cost Summary - Scenario 1
Darlington Arms - April 10, 2007

Item No.	Item	Recommendations	Normal Life Expectancy	Present Age	Adjustment To Life Expectancy	Time To First Replacement	Time to Subsequent Replacements	Years Over Which Work is Phased	Repair or Replacement Costs
4.10c	Interior Finishes	Painting Ceiling	10	15	0	3	10	3	$15,000
4.10d	Interior	Furnishing Replacement	10	7	0	3	10	1	$5,000
4.12a	Sewer, Storm and Water	Replace Sump Pump / Piping / Retrofit /Controls / Clean Pit	10	1	0	9	10	1	$8,000
4.12b	Sewer, Storm and Water	Sanitary/Power Flush	2	38	0	0	2	1	$3,000
4.12c	Sewer, Storm and Water	Sanitary, Storm and Sump Pump Scoping	10	38	0	0	5	1	$3,000
4.12d	Sewer, Storm and Water	Sanitary, Storm Piping Retrofit	50	38	-1	11	10	1	$60,000
4.13a	Domestic Hot Water / Heating System	Replace Central Boilers	30	5	0	25	30	1	$118,000
4.13b	Domestic Hot Water / Heating System	Replace Main Heating Pumps and Associated Valves/Piping	15	5	0	10	15	1	$12,000
4.13c	Domestic Hot Water / Heating System	Replace Expansion Tanks	15	5	0	10	15	1	$5,000
4.13d	Domestic Hot Water / Heating System	Replace D.H.W Tank	10	3	0	7	10	1	$8,000
4.13e	Domestic Hot Water / Heating System	Replace D.H.W Tank	10	4	1	7	10	1	$8,000
4.13f	Domestic Hot Water / Heating System	Replace Recirculation Pump	10	4	1	7	10	1	$2,000
4.13g	Domestic Hot Water / Heating System	Retrofit Domestic Hot/Cold Water Piping	40	38	-1	3	5	1	$59,000
4.13h	Domestic Hot Water / Heating System	Retrofit Hot Water Piping	40	38	0	2	5	1	$59,000

Table 1 - Replacement Cost Summary - Scenario 1
Darlington Arms - April 10, 2007

Item No.	Item	Recommendations	Normal Life Expectancy	Present Age	Adjustment To Life Expectancy	Time To First Replacement	Time to Subsequent Replacements	Years Over Which Work is Phased	Repair or Replacement Costs
4.13i	Domestic Hot Water / Heating System	Retrofit Recirculation Piping	25	7	0	18	25	1	$30,000
4.13j	Domestic Hot Water / Heating System	Replace Backflow Preventers (boiler make-up)	20	1	0	19	20	1	$3,000
4.13k	Domestic Hot Water / Heating System	Replace Backflow Preventer (sprinkler riser)	20	18	0	2	20	1	$6,000
4.13l	Domestic Hot Water / Heating System	Replace Backflow Preventer (Domestic Water)	20	4	0	16	20	1	$5,000
4.14a	Ventilation	Major Retrofit Corridor Pressurization Unit	20	21	10	10	20	1	$24,000
4.14b	Ventilation	Replace CO Detection	10	4	0	6	10	1	$5,000
4.15a	Fire Suppression System	Replace Fire Extinguishers	15	6	0	9	15	1	$3,000
4.15b	Fire Suppression System	Replace Booster Pumps	30	38	2	2	30	1	$10,000
4.15c	Fire Suppression System	Sprinkler Piping Retrofit	50	38	12	24	10	1	$12,000
4.17a	Miscellaneous Systems	Exhaust Fan Retrofit	10	1	0	9	10	1	$5,000
4.17b	Miscellaneous Systems	Exhaust Ductwork Cleaning	10	38	-28	0	10	1	$10,000
4.19a	Power Distribution System	Replace Main Switch, Distribution Panel and Meter Stacks	45	38	0	7	45	1	$36,000
4.20a	Interior Lighting Fixtures Common Area	Replace Corridor Lights With Similar.	20	5	0	15	20	1	$2,100
4.20b	Interior Lighting Fixtures Common Area	Replace Stairway Lights With Similar.	20	5	0	15	20	1	$2,800
4.20c	Interior Lighting Fixtures Common Area	Replace Parking Garage Lights With Fluorescent Lights.	20	38	0	0	20	1	$2,800

Table 1 - Replacement Cost Summary - Scenario 1
Darlington Arms - April 10, 2007

Item No.	Item	Recommendations	Normal Life Expectancy	Present Age	Adjustment To Life Expectancy	Time To First Replacement	Time to Subsequent Replacements	Years Over Which Work is Phased	Repair or Replacement Costs
4.20d	Interior Lighting Fixtures Common Area	Replace Storage/Utility Room Lights With Similar.	20	5	0	15	20	1	$750
4.21a	Emergency and Exit Lighting	Replace Gas Generator With Battery Packs.	10	0	0	10	10	1	$4,900
4.21b	Emergency and Exit Lighting	Replace Exit Lights With Energy Efficient LED Lights.	10	0	0	10	10	1	$2,100
4.22a	Exterior lights and plugs	Car Heater Receptacles	10	6	0	4	15	1	$5,100
4.22b	Exterior lights and plugs	Replace Exterior Lighting With Similarly Styled Fixtures.	20	6	0	14	10	1	$1,750
4.22c	Exterior lights and plugs	Replace Balcony Fixtures With similarly styled fixtures.	20	38	0	0	10	1	$4,500
4.22d	Fire Alarm systems	Replace/Add heat/ smoke detectors, manual pull stations.	20	38	0	0	15	1	$7,500
4.22e	Fire Alarm Systems	Replace bells with horn/strobes	20	38	0	0	15	1	$3,600
4.22f	Fire Alarm Systems	Install suite mini horn/strobes.	20	38	0	0	15	1	$12,000
4.22g	Fire Alarm systems	New main panel and wiring.	20	38	0	0	15	1	$5,000
4.25a	Door intercom and Security	Replace main entry panel and connections interface to telephone distribution panel	20	15	0	10	20	1	$2,500
4.25b	Door intercom and Security	Replace front entry door lock	10	5	0	5	10	1	$500
4.25c	Door intercom and Security	Camera system.	10	5	0	5	10	1	$4,000
4.26a	Elevator	Major Control Modernization	30	38	9	1	30	1	$156,000
4.26b	Elevator	Code Changes and Vandalism	30	38	9	1	10	1	$6,000
4.26c	Elevator	New Cab Interior	30	38	9	1	30	1	$23,000
4.26d	Elevator	Barrier Free Recommendations	30	38	9	1	30	1	$6,000
5.1a	Reserve found study	Update Reserve found study	5	0	0	5	5	1	$8,000

Table 2 - Twenty Five Year Cash-Flow
Darlington Arms - April 12, 2007
Scenario 1

	Starting Balance	95,000	-17,400	-186,450	-382,695	-586,823	-733,210	-964,643	-928,460	-1,071,984	-1,119,263	-1,085,134	-1,3
	Total Expense	142,400	200,550	229,320	238,857	182,853	269,721	4,020	185,737	91,602	12,411	346,140	1
	Interest	0	0	0	0	0	0	0	0	0	0	0	
	Contribution	30,000	31,500	33,075	34,729	36,465	38,288	40,203	42,213	44,324	46,540	48,867	
	Lump Sum Contribution												
	Ending Balance	-17,400	-186,450	-382,695	-586,823	-733,210	-964,643	-928,460	-1,071,984	-1,119,263	-1,085,134	-1,382,407	-1,5
Item	Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
4.2a	Replace Metal Fences												
4.2b	Paint Metal Fence								7,036				
4.2c	Replace Motorized Gate								8,443				
4.3a	Repair Concrete Slab / Retaining Walls						25,526					32,578	
4.3b	Replacement to Asphalt											81,445	
4.3c	Repairs to Asphalt			8,820					11,257				
4.4a	Repairs to Structural Components in Parkade	20,000					25,526					32,578	
4.5a	Roof Replacement	53,000											
4.5b	Roof Repairs											9,773	
4.6a	Brick Repairs and Re-pointing North and West Faces												
4.6b	Brick Repairs and Re-pointing South and East faces												
4.6c	Replacement of canopy						5,105						
4.7a	Balcony Concrete Repairs						12,763					16,289	
4.8a	Window Replacement			76,073	79,876	83,870	88,063						
4.8b	Insulated Glazing Unit Replacement and Repair												
4.8c	Patio Door Replacement			36,383	38,202	40,112	42,117						
4.8d	Painting Wood Doors				1,929	2,026	2,127						
4.8e	Replacement of Entrance Doors						6,381						
4.8f	Replacement of Mechanical / Electrial / Sprinkler Doors	10,000											
4.10a	Carpet Replacement				18,136	19,043	19,995						
4.10b	Wallpaper Replacement				20,837	21,879	22,973						
4.10c	Painting Ceiling				5,788	6,078	6,381						
4.10d	Furnishing Replacement				5,788								
4.12a	Replace Sump Pumps / Piping / Retrofit /Controls / Clean Pit	8,000										13,031	
4.12b	Sanitary/Power Flush	3,000		3,308		3,647		4,020		4,432		4,887	
4.12c	Sanitary, Storm and Sump Pump Scoping	3,000					3,829					4,887	
4.12d	Sanitary, Storm Piping Retrofit												1
4.13a	Replace Central Boilers												
4.13b	Replace Main Heating Pumps and Associated Valves/Piping											19,547	
4.13c	Replace Expansion Tanks											8,144	
4.13d	Replace D.H.W Tank								11,257				
4.13e	Replace D.H.W Tank								11,257				
4.13f	Replace Recirculation Pump								2,814				
4.13g	Retrofit Domestic Hot/Cold Water Piping				68,300					87,170			

Scenario I was not adopted.

n Refer to our adopted Reserve Fund Plan. - GR

Inflation Rate	5.0%
Interest Rate	2.0%
Starting Fund	95,000
Periods per year	12
Starting Monthly Contribution	2,500

07	-1,502,131	-1,591,924	-1,732,090	-1,761,954	-2,043,822	-1,995,799	-2,160,824	-2,237,836	-2,195,131	-2,445,337	-2,545,631	-2,709,446	-2,937,762
34	143,669	196,736	89,262	344,236	17,463	233,786	149,210	33,103	329,805	183,874	251,572	320,462	193,775
0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	53,876	56,569	59,398	62,368	65,486	68,761	72,199	75,809	79,599	83,579	87,758	92,146	96,753
31	-1,591,924	-1,732,090	-1,761,954	-2,043,822	-1,995,799	-2,160,824	-2,237,836	-2,195,131	-2,445,337	-2,545,631	-2,709,446	-2,937,762	-3,034,784
									21	22	23	24	25
18	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
						11,460							
						13,752							
				41,579					53,066				
	14,367					18,336					23,402		
				41,579					53,066				
									15,920				
76													
76													
				8,316									
				20,789					26,533				
						13,752							
		3,143	3,300	3,465								5,119	5,375
		29,542	31,019	32,570								48,121	50,527
		33,942	35,639	37,421								55,287	58,052
		9,428	9,900	10,395								15,358	16,125
		9,428										15,358	
									21,226				
	5,388		5,940		6,549		7,220		7,960		8,776		9,675
				6,237					7,960				
20										167,158			
						18,336							
						18,336							
						4,584							
		111,253					141,991					181,220	

Table 2 - Twenty Five Year Cash-Flow
Darlington Arms - April 12, 2007
Scenario 1

Starting Balance	95,000	-17,400	-186,450	-382,695	-586,823	-733,210	-964,643	-928,460	-1,071,984	-1,119,263	-1,085,134	-1,3
Total Expense	142,400	200,550	229,320	238,857	182,853	269,721	4,020	185,737	91,602	12,411	346,140	
Interest	0	0	0	0	0	0	0	0	0	0	0	
Contribution	30,000	31,500	33,075	34,729	36,465	38,288	40,203	42,213	44,324	46,540	48,867	
Lump Sum Contribution												
Ending Balance	-17,400	-186,450	-382,695	-586,823	-733,210	-964,643	-928,460	-1,071,984	-1,119,263	-1,085,134	-1,382,407	-1,3

Item \ Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
4.13h Retrofit Hot Water Piping			65,048					83,019			
4.13i Retrofit Recirculation Piping											48,867
4.13j Replace Backflow Preventers (boiler make-up)											
4.13k Replace Backflow Preventer (sprinkler riser)			6,615								
4.13l Replace Backflow Preventer (Domestic Water)											39,093
4.14a Major Retrofit Corridor Pressurization Unit											
4.14b Replace CO Detection			11,025								
4.15a Replace Fire Extinguishers										4,654	
4.15b Replace Booster Pumps			22,050								
4.15c Sprinkler Piping Retrofit										7,757	
4.17a Exhaust Fan Retrofit											16,289
4.17b Exhaust Ductwork Cleaning	10,000							50,656			
4.19a Replace Main Switch, Distribution Panel and Meter Stacks											
4.20a Replace Corridor Lights With Similar.											
4.20b Replace Stairway Lights With Similar.											
4.20c Replace Parking Garage Lights With Fluorescent Lights.	2,800										
4.20d Replace Storage/Utility Room Lights With Similar.											7,982
4.21a Replace Gas Generator With Battery Packs.											3,421
4.21b Replace Exit Lights With Energy Efficient LED Lights.					6,199						
4.22a Car Heater Receptacles											7,330
4.22b Replace Exterior Lighting With Similarly Styled Fixtures.	4,500										
4.22c Replace Balcony Fixtures With similarly styled fixtures.	7,500										
4.22d Replace/Add heat/ smoke detectors, manual pull stations.	3,600										
4.22e Replace bells with horn/strobes	12,000										
4.22e Install suite mini horn/strobes.	5,000										
4.22f New main panel and wiring.						3,191					
4.25a Replace main entry panel and connections interface to telephone distribution panel											

Plan

Inflation Rate	5.0%
Interest Rate	2.0%
Starting Fund	95,000
Periods per year	12
Starting Monthly Contribution	2,500

2,407	-1,502,131	-1,591,924	-1,732,090	-1,761,954	-2,043,822	-1,995,799	-2,160,824	-2,237,836	-2,195,131	-2,445,337	-2,545,631	-2,709,446	-2,937,762
1,034	143,669	196,736	89,262	344,236	17,463	233,786	149,210	33,103	329,805	183,874	251,572	320,462	193,775
0	0	0	0	0	0	0	0	0	0	0	0	0	0
1,310	53,876	56,569	59,398	62,368	65,486	68,761	72,199	75,809	79,599	83,579	87,758	92,146	96,753
2,131	-1,591,924	-1,732,090	-1,761,954	-2,043,822	-1,995,799	-2,160,824	-2,237,836	-2,195,131	-2,445,337	-2,545,631	-2,709,446	-2,937,762	-3,034,784
									21	22	23	24	25
2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	105,956					135,229					172,590		
				62,368					79,599				
								7,581					
											17,552		
					10,914								
	17,959										29,253		
													9,675
													38,701
								12,635					
									26,533				
				4,366									
				5,821									
									7,429				
				1,559									
									13,001				
									5,572				
								12,887					
			3,465										5,644
									11,940				
				15,592									
				7,484									
				24,947									
				10,395									

Table 2 - Twenty Five Year Cash-Flow
Darlington Arms - April 12, 2007
Scenario 1

Starting Balance	95,000	-17,400	-186,450	-382,695	-586,823	-733,210	-964,643	-928,460	-1,071,984	-1,119,263	-1,085,134	-1,3
Total Expense	142,400	200,550	229,320	238,857	182,853	269,721	4,020	185,737	91,602	12,411	346,140	1
Interest	0	0	0	0	0	0	0	0	0	0	0	
Contribution	30,000	31,500	33,075	34,729	36,465	38,288	40,203	42,213	44,324	46,540	48,867	
Lump Sum Contribution												
Ending Balance	-17,400	-186,450	-382,695	-586,823	-733,210	-964,643	-928,460	-1,071,984	-1,119,263	-1,085,134	-1,382,407	-1,5

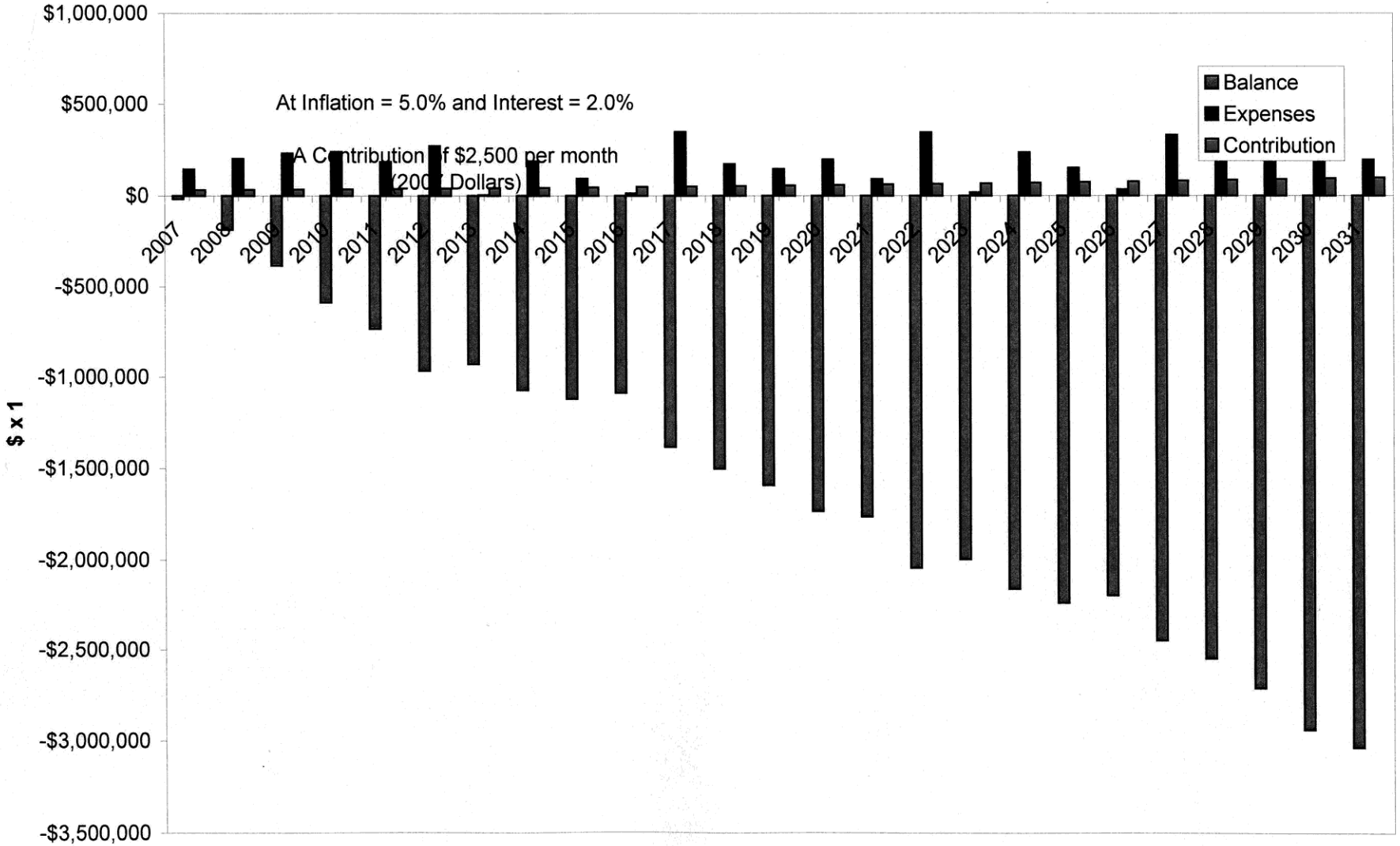
Item \ Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
4.25b Replace front entry door lock						638						
4.25c Camera system.						5,105						
4.26a Major Control Modernization		163,800										
4.26b Code Changes and Vandalism		6,300										
4.26c New Cab Interiors		24,150										
4.26d Barrier Free Recommendations		6,300										

Plan

Inflation Rate	5.0%
Interest Rate	2.0%
Starting Fund	95,000
Periods per year	12
Starting Monthly Contribution	2,500

2,407	-1,502,131	-1,591,924	-1,732,090	-1,761,954	-2,043,822	-1,995,799	-2,160,824	-2,237,836	-2,195,131	-2,445,337	-2,545,631	-2,709,446	-2,937,762
1,034	143,669	196,736	89,262	344,236	17,463	233,786	149,210	33,103	329,805	183,874	251,572	320,462	193,775
0	0	0	0	0	0	0	0	0	0	0	0	0	0
1,310	53,876	56,569	59,398	62,368	65,486	68,761	72,199	75,809	79,599	83,579	87,758	92,146	96,753
2,131	-1,591,924	-1,732,090	-1,761,954	-2,043,822	-1,995,799	-2,160,824	-2,237,836	-2,195,131	-2,445,337	-2,545,631	-2,709,446	-2,937,762	-3,034,784
									21	22	23	24	25
2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
				1,039									
				8,316									
0,262										16,716			

Twenty Five Year Cash-Flow Chart - Darlington Arms
Scenario 1 April 13, 2007



Actual annual values for contribution, forecast expenditures, and balance can be found in Table 2 of Appendix B

Table 1 - Replacement Cost Summary - Scenario 2
Darlington Arms - April 12, 2007

Item No.	Item	Recommendations	Normal Life Expectancy	Present Age	Adjustment To Life Expectancy	Time To First Replacement	Time to Subsequent Replacements	Years Over Which Work is Phased	Repair or Replacement Costs
4.2a	Landscaping	Replace Metal Railings / Fences	30	3	0	27	30	1	$25,000
4.2b	Landscaping	Paint Metal Fence	10	3	0	7	10	1	$5,000
4.2c	Landscaping	Replace Motorized Gate	10	3	0	7	10	1	$6,000
4.3a	Driveways and Slab On Grade Concrete	Repair Concrete Slab / Retaining Walls	30	38	5	5	5	1	$20,000
4.3b	Driveways and Slab On Grade Concrete	Replacement to Asphalt	30	10	0	20	30	1	$50,000
4.3c	Driveways and Slab On Grade Concrete	Repairs to Asphalt	5	3	0	2	5	1	$1,000
4.4a	Structural Components	Repairs to Structural Components in Parkade	30	38	0	0	5	1	$20,000
4.5a	Roofing	Roof Replacement	25	9	0	16	25	1	$53,000
4.5b	Roofing	Roof Repairs	10	38	10	10	10	1	$1,000
4.6a	Exterior Cladding	Brick Repairs and Re-pointing North and West Faces	15	4	0	11	15	1	$17,000
4.6b	Exterior Cladding	Brick Repairs and Re-pointing South and East faces	15	4	0	11	15	1	$17,000
4.6c	Exterior Cladding	Replacement of canopy	10	5	0	5	10	1	$4,000
4.7a	Decks and Patios	Balcony Concrete Repairs	30	38	10	10	10	1	$10,000
4.8a	Windows and Doors	Window Replacement	30	38	2	2	30	1	$276,000
4.8b	Windows and Doors	Insulated Glazing Unit Repair	15	0	2	17	15	1	$6,000
4.8c	Windows and Doors	Patio Door Replacement	30	38	2	2	30	1	$132,000
4.8d	Windows and Doors	Painting Wood Doors	10	38	3	3	10	3	$5,000
4.8e	Windows and Doors	Replacement of Main Entrance Doors to Building	30	38	10	10	30	1	$5,000
4.8f	Windows and Doors	Replacement of Mechanical / Electrial / Sprinkler Doors	30	38	0	0	30	1	$10,000
4.10a	Interior Finishes	Flooring Replacement	10	10	3	3	10	3	$47,000
4.10b	Interior Finishes	Replacement of Wall Coverings	10	15	0	3	10	3	$54,000

Table 1 - Replacement Cost Summary - Scenario 2
Darlington Arms - April 12, 2007

Item No.	Item	Recommendations	Normal Life Expectancy	Present Age	Adjustment To Life Expectancy	Time To First Replacement	Time to Subsequent Replacements	Years Over Which Work is Phased	Repair or Replacement Costs
4.10c	Interior Finishes	Painting Ceiling	10	15	0	3	10	3	$15,000
4.10d	Interior	Furnishing Replacement	10	7	0	3	10	1	$5,000
4.12a	Sewer, Storm and Water	Replace Sump Pump / Piping / Retrofit /Controls / Clean Pit	10	1	0	9	10	1	$8,000
4.12b	Sewer, Storm and Water	Sanitary/Power Flush	2	38	0	0	2	1	$3,000
4.12c	Sewer, Storm and Water	Sanitary, Storm and Sump Pump Scoping	10	38	0	0	5	1	$3,000
4.12d	Sewer, Storm and Water	Sanitary, Storm Piping Retrofit	50	38	-1	11	10	1	$60,000
4.13a	Domestic Hot Water / Heating System	Replace Central Boilers	30	5	0	25	30	1	$118,000
4.13b	Domestic Hot Water / Heating System	Replace Main Heating Pumps and Associated Valves/Piping	15	5	0	10	15	1	$12,000
4.13c	Domestic Hot Water / Heating System	Replace Expansion Tanks	15	5	0	10	15	1	$5,000
4.13d	Domestic Hot Water / Heating System	Replace D.H.W Tank	10	3	0	7	10	1	$8,000
4.13e	Domestic Hot Water / Heating System	Replace D.H.W Tank	10	4	1	7	10	1	$8,000
4.13f	Domestic Hot Water / Heating System	Replace Recirculation Pump	10	4	1	7	10	1	$2,000
4.13g	Domestic Hot Water / Heating System	Retrofit Domestic Hot/Cold Water Piping	40	38	-1	3	5	1	$59,000
4.13h	Domestic Hot Water / Heating System	Retrofit Hot Water Piping	40	38	0	2	5	1	$59,000

Table 1 - Replacement Cost Summary - Scenario 2
Darlington Arms - April 12, 2007

Item No.	Item	Recommendations	Normal Life Expectancy	Present Age	Adjustment To Life Expectancy	Time To First Replacement	Time to Subsequent Replacements	Years Over Which Work is Phased	Repair or Replacement Costs
4.13i	Domestic Hot Water / Heating System	Retrofit Recirculation Piping	25	7	0	18	25	1	$30,000
4.13j	Domestic Hot Water / Heating System	Replace Backflow Preventers (boiler make-up)	20	1	0	19	20	1	$3,000
4.13k	Domestic Hot Water / Heating System	Replace Backflow Preventer (sprinkler riser)	20	18	0	2	20	1	$6,000
4.13l	Domestic Hot Water / Heating System	Replace Backflow Preventer (Domestic Water)	20	4	0	16	20	1	$5,000
4.14a	Ventilation	Major Retrofit Corridor Pressurization Unit	20	21	10	10	20	1	$24,000
4.14b	Ventilation	Replace CO Detection	10	4	0	6	10	1	$5,000
4.15a	Fire Suppression System	Replace Fire Extinguishers	15	6	0	9	15	1	$3,000
4.15b	Fire Suppression System	Replace Booster Pump	30	38	2	2	30	1	$10,000
4.15c	Fire Suppression System	Sprinkler Piping Retrofit	50	38	12	24	10	1	$12,000
4.17a	Miscellaneous Systems	Exhaust Fan Retrofit	10	1	0	9	10	1	$5,000
4.17b	Miscellaneous Systems	Exhaust Ductwork Cleaning	10	38	-28	0	10	1	$10,000
4.19a	Power Distribution System	Replace Main Switch, Distribution Panel and Meter Stacks	45	38	0	7	45	1	$36,000
4.20a	Interior Lighting Fixtures Common Area	Replace Corridor Lights With Similar.	20	5	0	15	20	1	$2,100
4.20b	Interior Lighting Fixtures Common Area	Replace Stairway Lights With Similar.	20	5	0	15	20	1	$2,800
4.20c	Interior Lighting Fixtures Common Area	Replace Parking Garage Lights With Fluorescent Lights.	20	38	0	0	20	1	$2,800

Table 1 - Replacement Cost Summary - Scenario 2
Darlington Arms - April 12, 2007

Item No.	Item	Recommendations	Normal Life Expectancy	Present Age	Adjustment To Life Expectancy	Time To First Replacement	Time to Subsequent Replacements	Years Over Which Work is Phased	Repair or Replacement Costs
4.20d	Interior Lighting Fixtures Common Area	Replace Storage/Utility Room Lights With Similar.	20	5	0	15	20	1	$750
4.21a	Emergency and Exit Lighting	Replace Gas Generator With Battery Packs.	10	0	0	10	10	1	$4,900
4.21b	Emergency and Exit Lighting	Replace Exit Lights With Energy Efficient LED Lights.	10	0	0	10	10	1	$2,100
4.22a	Exterior lights and plugs	Car Heater Receptacles	10	6	0	4	15	1	$5,100
4.22b	Exterior lights and plugs	Replace Exterior Lighting With Similarly Styled Fixtures.	20	6	0	14	10	1	$1,750
4.22c	Exterior lights and plugs	Replace Balcony Fixtures With similarly styled fixtures.	20	38	0	0	10	1	$4,500
4.22d	Fire Alarm systems	Replace/Add heat/ smoke detectors, manual pull stations.	20	38	0	0	15	1	$7,500
4.22e	Fire Alarm Systems	Replace bells with horn/strobes	20	38	0	0	15	1	$3,600
4.22f	Fire Alarm Systems	Install suite mini horn/strobes.	20	38	0	0	15	1	$12,000
4.22g	Fire Alarm systems	New main panel and wiring.	20	38	0	0	15	1	$5,000
4.25a	Door intercom and Security	Replace main entry panel and connections interface to telephone distribution panel	20	15	0	5	20	1	$2,500
4.25b	Door intercom and Security	Replace front entry door lock	10	5	0	5	10	1	$500
4.25c	Door intercom and Security	Camera system.	10	5	0	5	10	1	$4,000
4.26a	Elevator	Major Control Modernization	30	38	3	3	30	1	$156,000
4.26b	Elevator	Code Changes and Vandalism	30	38	3	3	10	1	$6,000
4.26c	Elevator	New Cab Interior	30	38	3	3	30	1	$23,000
4.26d	Elevator	Barrier Free Recommendations	30	38	3	3	30	1	$6,000
5.1a	Reserve fund study	Update Reserve Found Study	5	0	0	5	5	1	$8,000

Table 2 - Twenty Five Year Cash-Flo
Darlington Arms - April 12, 20(
Scenario 2

	Starting Balance	95,000	146,375	304,454	275,238	215,234	343,333	404,025	503,090	440,747	468,479	570,513
	Total Expense	81,400	0	536,918	341,885	58,871	130,606	10,721	175,888	91,602	24,821	215,829
	Interest	275	2,954	0	0	3,156	4,294	7,939	6,604	7,047	8,955	7,159
	Contribution	52,500	55,125	57,881	60,775	63,814	67,005	101,847	106,940	112,287	117,901	123,796
	Lump Sum Contribution	80,000	100,000	449,820	221,106	120,000	120,000					
	Ending Balance	146,375	304,454	275,238	215,234	343,333	404,025	503,090	440,747	468,479	570,513	485,640
Item	Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
4.2a	Replace Metal Railings / Fences											
4.2b	Paint Metal Fence								7,036			
4.2c	Replace Motorized Gate								8,443			
4.3a	Repair Concrete Slab / Retaining Walls						25,526					32,578
4.3b	Replacement to Asphalt											
4.3c	Repairs to Asphalt			1,103					1,407			
4.4a	Repairs to Structural Components in Parkade	20,000					25,526					32,578
4.5a	Roof Replacement											
4.5b	Roof Repairs											1,629
4.6a	Brick Repairs and Re-pointing North and West Faces											
4.6b	Brick Repairs and Re-pointing South and East faces											
4.6c	Replacement of canopy						5,105					
4.7a	Balcony Concrete Repairs											16,289
4.8a	Window Replacement			304,290								
4.8b	Insulated Glazing Unit Repair											
4.8c	Patio Door Replacement			145,530								
4.8d	Painting Wood Doors				1,929	2,026	2,127					
4.8e	Replacement of Main Entrance Doors to Building											8,144
4.8f	Replacement of Mechanical / Electrial / Sprinkler Doors	10,000										
4.10a	Flooring Replacement				18,136	19,043	19,995					
4.10b	Replacement of Wall Coverings				20,837	21,879	22,973					
4.10c	Painting Ceiling				5,788	6,078	6,381					
4.10d	Furnishing Replacement				5,788							
4.12a	Replace Sump Pump / Piping / Retrofit /Controls / Clean Pit										12,411	
4.12b	Sanitary/Power Flush	3,000		3,308		3,647		4,020		4,432		4,887
4.12c	Sanitary, Storm and Sump Pump Scoping	3,000					3,829					4,887
4.12d	Sanitary, Storm Piping Retrofit											
4.13a	Replace Central Boilers											
4.13b	Replace Main Heating Pumps and Associated Valves/Piping											19,547
4.13c	Replace Expansion Tanks											8,144
4.13d	Replace D.H.W Tank								11,257			

Scenario II was not adopted.

Refer to our adopted Reserve Fund Plan. - GR

w Plan
7

Inflation Rate	5.0%
Interest Rate	2.0%
Starting Fund	95,000
Periods per year	12
Starting Monthly Contribution	4,375

485,640	461,411	491,787	432,773	500,919	385,713	412,419	372,800	337,350	481,813	316,124	363,706	387,450	282,975
160,772	113,139	208,050	89,262	277,710	144,070	217,742	221,409	53,319	369,604	167,158	201,843	338,891	193,775
6,557	7,030	5,727	6,934	4,505	4,877	3,929	3,056	5,733	2,265	3,007	3,267	980	1,800
129,986	136,485	143,309	150,475	157,999	165,898	174,193	182,903	192,048	201,651	211,733	222,320	233,436	245,108
461,411	491,787	432,773	500,919	385,713	412,419	372,800	337,350	481,813	316,124	363,706	387,450	282,975	336,108
									21	22	23	24	25
2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
						11,460							
						13,752							
				41,579					53,066				
									132,665				
	1,796					2,292					2,925		
				41,579					53,066				
					115,692								
									2,653				
29,076													
29,076													
				8,316									
									26,533				
						13,752							
		3,143	3,300	3,465								5,119	5,375
		29,542	31,019	32,570								48,121	50,527
		33,942	35,639	37,421								55,287	58,052
		9,428	9,900	10,395								15,358	16,125
		9,428										15,358	
								20,216					
	5,388		5,940		6,549		7,220		7,960		8,776		9,675
				6,237					7,960				
102,620										167,158			
						18,336							

Table 2 - Twenty Five Year Cash-Flo
Darlington Arms - April 12, 200
Scenario 2

	Starting Balance	95,000	146,375	304,454	275,238	215,234	343,333	404,025	503,090	440,747	468,479	570,513
	Total Expense	81,400	0	536,918	341,885	58,871	130,606	10,721	175,888	91,602	24,821	215,829
	Interest	275	2,954	0	0	3,156	4,294	7,939	6,604	7,047	8,955	7,159
	Contribution	52,500	55,125	57,881	60,775	63,814	67,005	101,847	106,940	112,287	117,901	123,796
	Lump Sum Contribution	80,000	100,000	449,820	221,106	120,000	120,000					
	Ending Balance	146,375	304,454	275,238	215,234	343,333	404,025	503,090	440,747	468,479	570,513	485,640
Item	Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
4.13e	Replace D.H.W Tank								11,257			
4.13f	Replace Recirculation Pump								2,814			
4.13g	Retrofit Domestic Hot/Cold Water Piping				68,300					87,170		
4.13h	Retrofit Hot Water Piping			65,048					83,019			
4.13i	Retrofit Recirculation Piping											
4.13j	Replace Backflow Preventers (boiler make-up)											
4.13k	Replace Backflow Preventer (sprinkler riser)			6,615								
4.13l	Replace Backflow Preventer (Domestic Water)											
4.14a	Major Retrofit Corridor Pressurization Unit											39,093
4.14b	Replace CO Detection							6,700				
4.15a	Replace Fire Extinguishers										4,654	
4.15b	Replace Booster Pump			11,025								
4.15c	Sprinkler Piping Retrofit											
4.17a	Exhaust Fan Retrofit										7,757	
4.17b	Exhaust Ductwork Cleaning	10,000										16,289
4.19a	Replace Main Switch, Distribution Panel and Meter Stacks								50,656			
4.20a	Replace Corridor Lights With Similar.											
4.20b	Replace Stairway Lights With Similar.											
4.20c	Replace Parking Garage Lights With Fluorescent Lights.	2,800										
4.20d	Replace Storage/Utility Room Lights With Similar.											
4.21a	Replace Gas Generator With Battery Packs.											7,982
4.21b	Replace Exit Lights With Energy Efficient LED Lights.											3,421
4.22a	Car Heater Receptacles					6,199						
4.22b	Replace Exterior Lighting With Similarly Styled Fixtures.											
4.22c	Replace Balcony Fixtures With similarly styled fixtures.	4,500										7,330
4.22d	Replace/Add heat/ smoke detectors, manual pull stations.	7,500										

v Plan
7

Inflation Rate	5.0%
Interest Rate	2.0%
Starting Fund	95,000
Periods per year	12
Starting Monthly Contribution	4,375

485,640	461,411	491,787	432,773	500,919	385,713	412,419	372,800	337,350	481,813	316,124	363,706	387,450	282,975
160,772	113,139	208,050	89,262	277,710	144,070	217,742	221,409	53,319	369,604	167,158	201,843	338,891	193,775
6,557	7,030	5,727	6,934	4,505	4,877	3,929	3,056	5,733	2,265	3,007	3,267	980	1,800
129,986	136,485	143,309	150,475	157,999	165,898	174,193	182,903	192,048	201,651	211,733	222,320	233,436	245,108
461,411	491,787	432,773	500,919	385,713	412,419	372,800	337,350	481,813	316,124	363,706	387,450	282,975	336,108
									21	22	23	24	25
2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
						18,336							
						4,584							
		111,253					141,991					181,220	
	105,956					135,229					172,590		
							72,199						
								7,581					
											17,552		
					10,914								
					10,914								9,675
													38,701
								12,635					
									26,533				
				4,366									
				5,821									
									7,429				
				1,559									
									13,001				
									5,572				
								12,887					
			3,465										5,644
									11,940				
				15,592									

Table 2 - Twenty Five Year Cash-Flo
Darlington Arms - April 12, 200
Scenario 2

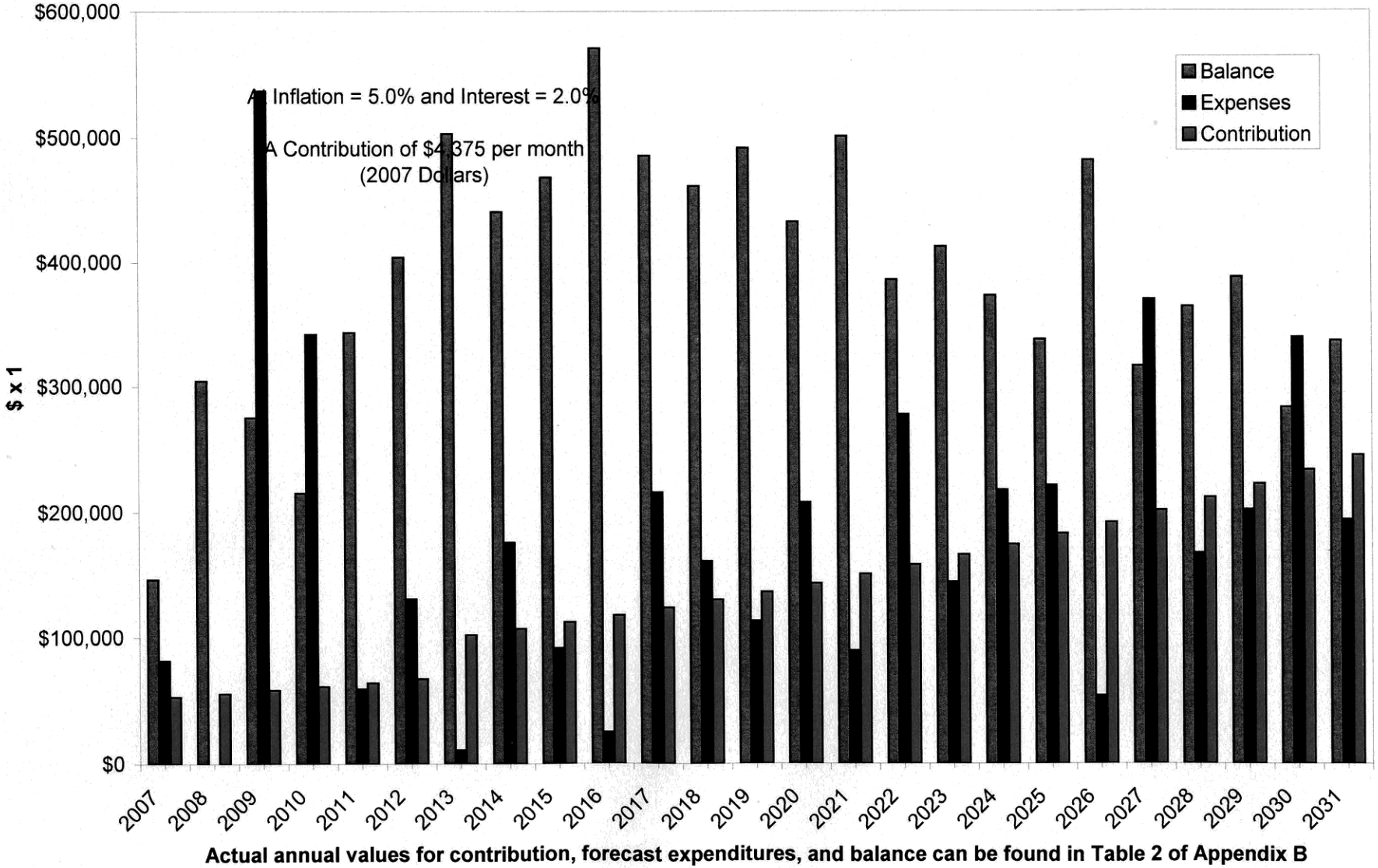
	Starting Balance	95,000	146,375	304,454	275,238	215,234	343,333	404,025	503,090	440,747	468,479	570,513
	Total Expense	81,400	0	536,918	341,885	58,871	130,606	10,721	175,888	91,602	24,821	215,829
	Interest	275	2,954	0	0	3,156	4,294	7,939	6,604	7,047	8,955	7,159
	Contribution	52,500	55,125	57,881	60,775	63,814	67,005	101,847	106,940	112,287	117,901	123,796
	Lump Sum Contribution	80,000	100,000	449,820	221,106	120,000	120,000					
	Ending Balance	146,375	304,454	275,238	215,234	343,333	404,025	503,090	440,747	468,479	570,513	485,640
Item	Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
4.22e	Replace bells with horn/strobes	3,600										
4.22f	Install suite mini horn/strobes.	12,000										
4.22g	New main panel and wiring.	5,000										
4.25a	Replace main entry panel and connections interface to telephone distribution panel						3,191					
4.25b	Replace front entry door lock						638					
4.25c	Camera system.						5,105					
4.26a	Major Control Modernization				180,590							
4.26b	Code Changes and Vandalism				6,946							
4.26c	New Cab Interior				26,625							
4.26d	Barrier Free Recommendations				6,946							
5.1a	Update Reserve Found Study						10,210					13,031

v Plan
7

Inflation Rate	5.0%
Interest Rate	2.0%
Starting Fund	95,000
Periods per year	12
Starting Monthly Contribution	4,375

485,640	461,411	491,787	432,773	500,919	385,713	412,419	372,800	337,350	481,813	316,124	363,706	387,450	282,975
160,772	113,139	208,050	89,262	277,710	144,070	217,742	221,409	53,319	369,604	167,158	201,843	338,891	193,775
6,557	7,030	5,727	6,934	4,505	4,877	3,929	3,056	5,733	2,265	3,007	3,267	980	1,800
129,986	136,485	143,309	150,475	157,999	165,898	174,193	182,903	192,048	201,651	211,733	222,320	233,436	245,108
461,411	491,787	432,773	500,919	385,713	412,419	372,800	337,350	481,813	316,124	363,706	387,450	282,975	336,108
									21	22	23	24	25
2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
				7,484									
				24,947									
				10,395									
				1,039									
				8,316									
		11,314										18,429	
				16,631					21,226				

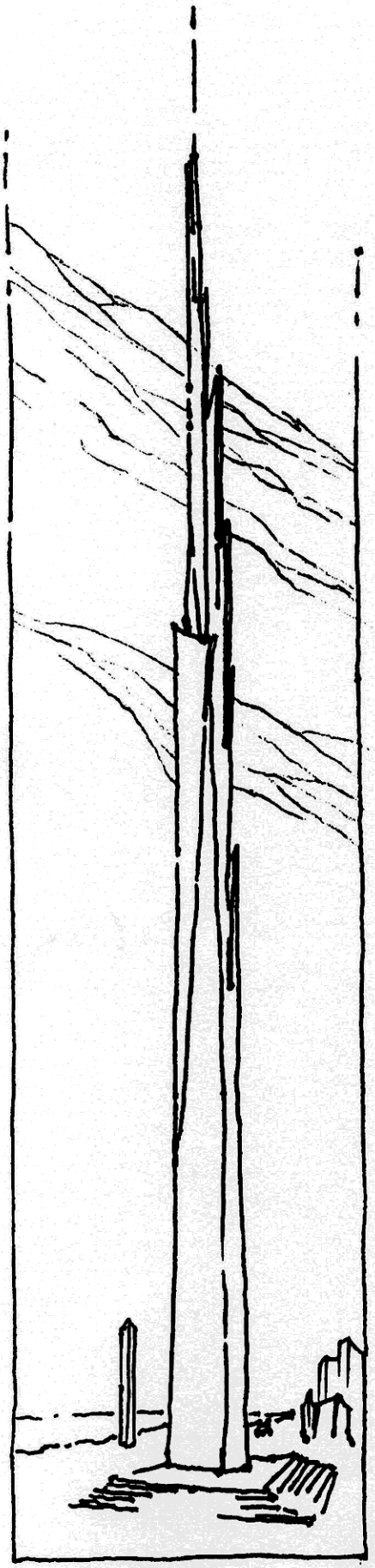
Twenty Five Year Cash-Flow Chart - Darlington Arms
Scenario 2 April 13, 2007



Actual annual values for contribution, forecast expenditures, and balance can be found in Table 2 of Appendix B

APPENDIX B

ELEVATOR



317 14TH AVE SW

CALGARY, ALBERTA

ELEVATOR RESERVE FUND STUDY

File # 211570
Prepared by KJA Consultants Inc
for Morrison Hershfield
November 27th, 2006

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY

There is one elevator located at this site that was installed circa 1969 by Dover Elevator (now ThyssenKrupp). This company is no longer in existence. Currently, the equipment is being maintained by Alltech Elevator.

In general, the equipment and surrounding areas are clean with the exception of the elevator pit which has not been cleaned recently. There are no abnormal noises heard during operation. ← Nonsense. Inspected June 19 and found to be clean.

The log books located in the machine room are not up to date with all of the required maintenance tasks signed off as complete. Logs are kept on Altech's office computers.

Generally, with equipment of this vintage the maintenance contractor depends on spare parts made available by the removal of similar systems from other locations. The maintenance will likely not cover obsolete items. If there is a part failure and a replacement cannot be found the elevator will not be in service until parts are found or a major upgrade is completed.

2. SITE INSPECTION

On November 27th, 2006 we performed an Elevator Reserve Fund Study for the one elevator at 317 14th Ave SW in Calgary, Alberta. The purpose of the inspection was to check the general condition and operation of the equipment and note major deficiencies or recommended upgrades requiring capital outlays. KJA did not inspect or test the safety features or aspects of the equipment and did not check the equipment for compliance with requirements of the regulating authorities

The elevator equipment was installed by Dover Elevator circa 1969. It is currently being maintained by Alltech Elevator. We have assumed the maintenance contract is a typical full-service agreement which covers the repair or replacement of all major components in addition to labour and materials for ongoing repair, adjustments and preventative maintenance work. Therefore, the anticipated repair costs associated with many of the components such as the elevator hoist machines, controllers, door operators, hoist ropes and other operating equipment is included under the terms of the maintenance contract. Normally, there are a few exceptions to this coverage on equipment of this type. Obsolete parts and any damage due to vandalism or abuse/misuse may not be covered. While fairly standard for equipment of this type, an obsolescence clause can result in unpredictable costs to the Owner. But parts are available.

Correct.

The most recent safety exam completed on August 12th, 2005 was reviewed after our site visit. We did not note any items that should be responsibility of the Owner to rectify.

Maintenance

Given the equipment condition (and considering the vintage), it is evident the maintenance contractor is providing an adequate level of preventative maintenance. Equipment adjustment is generally in line with acceptable standards.

The log book located in the machine room is not up to date with all of the required maintenance tasks signed off as complete. Call back records were not available in the machine room. The Owner should follow up with the contractor to ensure all maintenance tasks are completed at the appropriate intervals. Ron says records are kept at altech's office. Only notes kept on site.

Past Upgrades and Repairs

All of the major elevator control components are original. No major upgrades were apparent.

The door equipment has been upgraded at some point. A door operator ~~capable of~~ performing closed loop operation (ECI 2000 model) has been installed on the car. The landing door interlocks have also been replaced with a newer model. The car operating panel has also been replaced.

Machine Room

The machine room is clean and the equipment is in serviceable condition. A full control modernization will be necessary in the near future as there is a concern with parts availability. altech's senior technician Ron does not share this concern.

The hoist machine may require replacement when the equipment is modernized. While there are similar machine styles available, replacement parts for this machine are in limited supply. altech does not agree.

There are controller contactor assemblies unique to this type of equipment. These parts are no longer manufactured and we have not been able to locate any supplier with a proper replacement.

Generally, with equipment of this vintage the maintenance contractor depends on spare parts made available by the removal of similar systems from other locations. As noted previously, the maintenance will likely not cover obsolete items. If there is a part failure and a replacement cannot be found the elevator will not be in service until parts are found or a major upgrade is completed. Rewiring the controller to accept equivalent components from a different manufacturer may be a possibility but down time will be excessive.

Hoistway

The pit was dirty and a large amount of debris has been allowed to accumulate. The pit area should be cleaned. Not true. Inspected June 19, 2007.

The overspeed control governor rope was slack on the idler sheave in the pit. The maintenance contractor should ensure the proper level of tension is maintained on this rope. Not true. altech's Ron checked June 17, 2007.

Car Cabs

The car cab is of a basic design but in good condition overall. Updating the cab finish may be considered in the next five to ten years. If the cab finish is upgraded at the same time as a major control modernization there may be some cost and schedule savings.

↑ The draft of this report made repeated reference to two elevators, while we have one. Our editing saw these corrected, but one dint of these inaccuracies remains.

- Gerald

3. ELEVATOR EQUIPMENT DESCRIPTION

Passenger Elevators

Number of cars in group:	1
Elevator designation:	1
Install Date:	1969
Manufacturer:	Dover Elevator
Capacity (pounds):	3000
Function:	passenger
Floors served:	B, G, 2 - 8
Control Type:	Dover (Relay Based)
Contract speed (feet per minute):	150
Machine room location:	Roof Level
Motor type:	10 HP (AC)
Machine type:	Dover Type 2R
Drive type:	2 speed AC
Drive method:	geared overhead traction
Roping ratio:	1:1 single wrapped
Door type:	single speed side opening
Door width:	42"
Door height:	84"
Door protection:	infra red multibeam
Door operator:	ECI 2000
Car station:	main only
Car / Hall position indicator:	analog / analog at G
Arrival signals:	none
Floor passing signals:	none
Communication:	hands free telephone
Special emergency service:	none

4. RESERVE FUND STUDY

The typical elevator "full maintenance" contract covers the replacement of major components in addition to the labor and materials necessary for ongoing repairs, adjustment and preventative maintenance work. Entrances and cab finishes are normally excluded. As long as full maintenance is purchased the only additional costs to the Owner, during the first twenty to thirty years of use, should be for malicious damage and repairs to the elevator cabs and entrances. We are assuming, of course, that repairs required due to accidents or "Acts of God" (flood, fire, etc.) are covered by insurance.

Required Short Term Work (Year 1):

Major Control Modernization - The typical elevator "full maintenance" contract covers the replacement of major components in addition to the labour and materials necessary for ongoing repairs, adjustment and preventive maintenance work. Despite this, however, over time some components will require modernization. Some elevator components are no longer available.

This is a direct concern for the Owner, as it will result in delays and difficulties in implementing a proper maintenance program and cause extended periods of down time. As indicated in the report we generally recommend a full control modernization including replacement of the machine and motor, controller, and other original systems.

Our recommendation is to perform a full control modernization in the next one to two years. This would include the items listed above as well some other code required items. This major upgrade will cost approximately $140,000.

Required Mid Term Work (Years 2-5):

None.

Required Long Term Work (Years 6-15+):

These points seem to contradict the recommendation to spend $140,000. Which is it?

Code changes and vandalism - Some money should be set aside for code changes and to repair vandalism of the elevator cab. Without being able to pinpoint these changes, it is reasonable to assume that they would require some $5,000 per elevator every 10 years.

Recommended Short Term Work (Year 1):

New Cab Interiors - The existing cab interior is dated but in good condition. The cost to upgrade the cab finish could range from $15,000 to $35,000

depending on what is selected. We recommend using a figure of $15,000. This would be completed for aesthetic purposes only. We recommend that this upgrade be completed at the same time as a major control modernization. This can provide both a scheduling and cost advantage.

Barrier Free Access -The elevator does not meet existing Barrier-Free Access requirements (as listed in Appendix E of the Elevator Code). It should be noted that it is not currently mandatory to modify existing buildings to comply with Appendix E, although most new buildings and a number of public buildings are taking steps to meet the Code. To meet the Barrier-Free requirements the following would need to be provided:

- Audible signals (dual stroke gong etc.);
- Handrails on all non-access walls;
- Lowered hall stations. ← We installed these about 2004.

We recommend that these upgrades be completed at the same time as the major control modernization. This can provide both a scheduling and cost advantage. These upgrades will cost approximately $5,000.

Recommended Mid Term Work (Years 2-5):

None.

Recommended Long Term Work (Years 6-15+):

None.

"None" and "none", noted.

The above costs are budget figures only, are based on the current market and are in present dollars. The actual costs may vary depending on the time of tendering, the actual detailed scope of work and market conditions. The above figures do not include work required by other trades in conjunction with the elevator work.

Cost Assessment Summary - Required Work

Component \ Cost	Estimated Costs			
	Short Term	Mid Term	Long Term	Total
	year 1	years 2 - 5	years 6 - 15	
Major Control Modernization	$ 140,000	$ 0	$ 0	$ 140,000
Code Changes and Vandalism	$ 0	$ 0	$ 5,000	$ 5,000
Total:	$ 140,000	$ 0	$ 5,000	$ 145,000

Cost Assessment Summary - Required Work

Component \ Cost	Estimated Costs			
	Short Term	Mid Term	Long Term	Total
	year 1	years 2 - 5	years 6 - 15	
New Cab Interior	$ 20,000	$ 0	$ 0	$ 20,000
Barrier Free Recommendations	$ 5,000	$ 0	$ 0	$ 5,000
Total:	$ 25,000	$ 0	$ 0	$ 25,000

End of report