

ALTA VISTA
AT BALLSTON METRO CENTER

REPLACEMENT RESERVE STUDY
2007



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April 24, 2006
Revised August 24, 2006

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RE: ALTA VISTA CONDOMINIUM
Replacement Reserve Report

Dear Mr. Barnes,

Pursuant to your acceptance of our proposal of January 4, 2006, we have completed our evaluation of the Alta Vista Condominium in Arlington, Virginia. The purpose of this evaluation was to obtain data for the preparation of the enclosed Replacement Reserve Study.

The following sections are included in this Report:

- ~ A written narrative, which includes a financial summary, additional information describing and clarifying the enclosed *Replacement Reserve Report*, and a summary of conditions found on the site;
- ~ The *Replacement Reserve Analysis* with tables listing the inventory of components, estimated replacement costs, estimated remaining life, and the graphical presentation of the calculated data;
- ~ *Supporting photographs*;
- ~ An *Appendix* describing the standard procedures and definitions.

Please review the narrative and data in this study with your Board of Directors. We will provide further revisions to this document if items have been improperly included or omitted, or if the Board wishes to suggest other modifications to the component inventory herein. We welcome the input and suggestions from your Board on these items. Such review and input always helps to hone the accuracy of the report. Such revisions should be requested in writing by the Board of Directors within ninety (90) days of the date of the original report.

If you have any questions regarding this report, please do not hesitate to contact my office.

Sincerely,
MILLER ♦ DODSON ASSOCIATES, INC.

Heather N. Naples
Reserve Analyst

Enclosures: Replacement Reserve Report

R:Projectfiles/altavista

REPLACEMENT RESERVE REPORT

ALTA VISTA CONDOMINIUM

Arlington, Virginia

April 24, 2006
Revised August 24, 2006

Property Management by:

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Replacement Reserve Report

ALTA VISTA CONDOMINIUM

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Replacement Reserve Report

ALTA VISTA CONDOMINIUM

Arlington, Virginia

April 24, 2006

Revised August 24, 2006

The subject property consists of a 25-story high-rise building containing 277 units. The building is shared with a hotel and commercial offices. The 277 condominium units are located on floors 8 through 26. There is no floor 13. Several of the components are shared with the hotel and offices, as noted in the study. The fieldwork for this study was conducted on March 20, 2006. The weather was overcast, and the temperature was approximately 40 degrees Fahrenheit. The survey covered the common elements of the community including brick pavement, brick sidewalk, building roof and brickwork, Main Lobby and security, corridors finishes and lighting, tenant doors, party room, exercise room, windows, balconies, elevators, sprinkler and fire alarm, and mechanical and electrical systems. Interiors of units were not evaluated, nor were they included in any of the analyses.

Miller-Dodson Associates has visually inspected the common components in the community in order to ascertain the remaining useful life and the replacement costs of these components.

Miller-Dodson Associates would like to acknowledge the assistance and input of Ms. Deborah McNay of AltaVista Condominiums and the building engineer Mr. Walter Thacker. The property management team has provided very helpful insight into the history of the physical condition of many of the components of the property. Miller-Dodson would also like to acknowledge the contribution of Mr. Mike O'Connell of Legum & Norman for his direction to include the hallway renovation project (to include painting) and for providing preliminary financial information on the beginning reserves balance and planned annual contribution to reserves.

Level of Service: This study has been performed as a Level I, Full Replacement Reserve Study as defined under the National Reserve Study Standards that have been adopted by the Community Associations Institute. As such, a complete component inventory was established based on information regarding commonly owned components provided by the property manager and upon quantities derived from field measurement and/or quantity takeoffs from to-scale engineering drawings that have been made available. The condition of the components was ascertained from a site visit and the visual inspection of each component by the analyst. The life expectancy and the value of components are provided based in part on these observations, and the fund status and funding plan have been derived from analysis data.

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Replacement Reserve Report

A. FINANCIAL SUMMARY

Methods of Accounting: *Important Note:* In the enclosed Replacement Reserve Analysis, the recommended annual deposit is calculated by two methods, the *Cash Flow Method* and the *Component Method*. Both methods are presented graphically, pages A-1 through A-5, with tables showing recommended annual deposits, expenditures, and balances projected over the next thirty years. Both methods of calculating Reserves are discussed in more detail below, as well as in the attached *Appendix*. It should be pointed out that most communities adopt the Cash Flow Method due to its lower annual contributions. However, the Board of Directors, in consultation with their management and accounting professionals, must decide which of the two accounting methods is more suitable for use by the Association.

Current Funding: This reserve study has been prepared for Fiscal Year 2007, which covers the period January 1, 2007 through December 31, 2007. The *Replacement Reserves Reported to be on Deposit* at the start of the year is predicted to be \$1,083,192. The information concerning this balance has been supplied by the Association's representative, and confirmation or audit of the balance is beyond the scope of the study. The planned annual contribution to the reserves for the Fiscal Year is \$189,932, which is equivalent to an average contribution of \$57.14 per unit per month. See Page A-5 for details.

The replacement reserves balance was computed as follows:

Reserves Balance January 1, 2006	\$1,176,506
Plus Annual Contribution Jan 1 – Dec 31, 2006	\$189,932
Minus Bridge Exterior Work Project 2006	\$44,335
Minus Miscellaneous Expenditures 2006	\$13,550
<u>Minus Hallway Renovation Project 2006</u>	<u>\$225,361</u>

Predicted Reserves Balance January 1, 2007	\$ 1,083,192
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The hallway renovation project consists of new carpet in all corridors, repair and paint all corridor popcorn ceilings, and paint all elevator lobby and corridor walls.

Based on currently projected expenditures, the Homeowners' Association will deplete the reserve fund in the year 2030 and will incur a deficit of \$390,723 in that year if annual reserve contributions are not increased. See Page A-5 for details.

Cash Flow Method: The *Minimum Recommended Annual Deposit* as calculated by the Cash Flow Method is \$215,573, which is equivalent to an average contribution of \$64.85 per unit per month. This is the uniform amount that must be placed in reserves each year until the critical year is reached in 2030, at which time, the Annual Contribution decreases. This funding level will provide an adequate amount to cover the replacement expenses that have been projected in the study and to maintain a minimum balance Threshold of \$224,661, which is equal to 5.0% of the value of the replacement inventory. It should be recognized, however, that Cash Flow Method calculations should be reviewed annually based on recent contributions and expenditures, and should be updated every three to five years based on a physical evaluation of the conditions of the components.

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Component Method: *Note: The Association has elected to use the Cash Flow Method of calculating the Reserve Contributions. Therefore, the Component Method calculations presented here are not germane to the Reserve Study and are provided only for comparative purposes.*

The *Current Funding Objective* calculated by the Component Method is \$2,067,236. With a reserves balance of \$1,083,192, the Association reserves are funded at 52.40% of this objective. The recommended *Minimum Recommended Annual Contribution* to the reserves as computed by the Component Method is \$371,147 in the first year of the study, declining to \$253,199 in the tenth year of the study. Projected annual deposits by the Component Method over the next ten years are shown on page A-4 of the Replacement Reserve Analysis.

The *Minimum Recommended Annual Contribution* in the study year projected by the Component method is higher than the annual deposit if reserves were fully funded. This higher deposit is due in large part to the initial acceleration that results from Component Method mathematical model. However, the high first year contribution may also be dictated by significant anticipated costs to be incurred for replacement of major common elements in the first ten years of the study. Refer to the tables and in the report for more detail.

Interest, Inflation and Taxes on Reserves: This study does not take into account the interest on the reserves on deposit, nor does it account for inflation over the period of the study. We will, however, incorporate interest and inflation figures into the study at the direction of the Board of Directors using figures provided by the Board. The study also assumes that the principal on the Association's Reserves are not subject to tax.

B. REPLACEMENT RESERVE ANALYSIS

Components included: Every effort has been made to identify all items, which should be reasonably considered to be "common elements" for inclusion in this analysis. To that end, this report may have been made overly inclusive. Some of these components could be appropriately deleted from the analysis. Such deletions, however, should be made consciously, with the approval of the Board, recognizing that any future replacement of the deleted components would have to be funded from sources other than the replacement reserves. Components that are candidates for deletion:

1. **Small components:** For ease of administration, it may be preferable to handle replacement of relatively low cost components from the annual operating budget rather than making disbursements from the reserves. A commonly used guideline is to use operating funds for replacement of any component with replacement cost less than \$1,000. In larger Associations, this limit is often raised to \$5,000.

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2. **Long lasting components:** The reserve schedule includes components with estimated economic lives equaling or exceeding thirty years, for example, the tuckpointing, pavers and walkway, wet pipe sprinkler system, domestic water and sanitary waste piping, metal wind screen, rooftop guardrail, trash chute, tenant entry doors, electric service, generator piping and electrical, and fire pump. While some analysts would omit these components from the schedule entirely on the basis that the economic lives of these components approach that of the property as a whole, it is recommended that they be retained since dropping them might expose the Association to a large unfunded liability should the replacements be needed at some time in the future.
3. **Components incorrectly included:** In an effort to include all components that could reasonably be considered as "common," it is possible that some items have been included which are not the responsibility of the Association.

Components excluded: The following components have been excluded from the Replacement Reserve Analyses. If any of these exclusions have been made in error, we will reinsert the component upon the written request of the Board of Directors:

1. **Long-lived components.** The following components are expected to have a life equal to that of the project, if properly maintained:
 - a. Building structure.
 - b. Electrical conduits.
 - c. Natural gas piping to common equipment.
 - d. Kitchen and bath exhaust ducts.
 - e. Piano in the party room
2. **Local Municipality.** We understand that the following components will be maintained and replaced by the local municipality (or responsible utility company):
 - a. Roads and associated improvements including curb & gutter and sidewalks located within a normal right-of-way.
 - b. Offsite underground utility mains.
 - c. Electric service to the individual unit meters and to the transformers.
3. **Individual owners.** We understand that the following components will be maintained and replace by the individual owners:
 - a. Unit interiors.
 - b. Tenant door latches and deadbolts.
4. **Small components.** Pursuant to our proposal, we have not included items with a value of less than \$5,000.00. Some of these items are listed below:
 - a. Small fixtures and appliances in the party room.
 - b. Shop equipment and supplies.
 - c. Common bathroom exhaust vents.
 - d. Drinking fountains.
 - e. Wood and wire cages in the storage rooms.

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- f. Ceiling mounted TV in the fitness center.
- g. Rooftop TV antenna.
- h. Space heaters in storage, laundry and other rooms.
- i. Flooring in garage level lobbies and health suite.
- j. Party room flooring, window treatments, and lighting.
- k. Management office flooring.
- l. Electric heaters for entry doors.
- m. Management office AC unit.
- n. Brick pavers.
- o. Jockey pump.

5. Unreservable components. The following items were omitted because they are considered to be non-capital expenses under IRS guidelines.

- a. Painting (except corridor renovation project per Legum & Norman).
- b. Landscaping.
- c. Future Reserve Studies.

Revisions: Revisions will be made to the Replacement Reserve Analysis in accordance with the written instructions of the Board of Directors. No additional charge is incurred for the first revision if requested in writing within three months of the date of this report.

Updating: It is recommended to review and revise the Replacement Reserve Analysis annually to take into account replacements, which have actually occurred and known changes in replacement costs. Updating the analysis after a major replacement is made usually results in a significant reduction in the annual deposit as calculated by the Component Method. A full analysis based on a physical evaluation of the components should be performed approximately every three to five years.

C. SUMMARY OF CONDITIONS

The subject property appears to be in very good overall condition for its age. The building is approaching 20-years of age and major components and systems will likely need to be replaced in the next three to five years. The general upkeep of the common facilities reflects the conscientiousness of the property manager, the building manager, and staff.

The following comments pertain to the larger, more significant components in the Community's inventory and to those items that are unique or deserving of attention because of their condition or the manner in which they have been treated in the analysis.

Brick Pavers. (See photo #6). The Association owns only the pavers at the portico. The pavers are a minor item.

Main Roof. The main roof is IRMA from the original construction in 1989. No active leaks are reported, but there have been several prior leaks that have been patched. The roof is approaching the end of its 20-year expected life and should be considered for replacement at the same time as the four large mechanical systems for the corridor are replaced, to help spread the significant cost of crane and rigging among multiple components. The roof, flashings, exhaust fans, coping, and hatches appear to be in good condition. The roof

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surface covers 100% of the units on the 26th floor. The roof is a 50/50 share with the hotel, including the rigging (see photo #50).

Brickwork. All of the brick exterior wall penetrations were re-caulked and mortar joints repaired as needed in 2000. The Association intends to continue this maintenance program for the building exterior on a 10-year cycle, making the next scheduled brickwork activity 2010. Tuck-pointing can be disruptive to the tenants. A review of the existing conditions should be made to determine the most weathered side of the building. The tuck-pointing process should begin on that side.

All pedestrian bridge exteriors are scheduled to be worked on in 2006 because several bridge exteriors have leaked in recent past. The scope of work includes replacing all caulk, sealing the entire surface, and pointing mortar as-needed. The cost for this work is \$50,000. The Association should budget for similar repairs to the bridge surfaces every 15 years.

Windows and Doors. (See photo #49). All windows and doors are owned by the Association. The windows are double pane, steel frame, sliding systems except for the pedestrian bridges and balcony enclosures that have fixed windows. The Association has elected to use a special assessment to fund future window replacement with the belief that the windows may never need to be replaced. We have included an allowance of \$200,000 to repair windows every five years, at Legum & Norman's direction. Five terraces are located on the 26th floor and have French doors or sliding glass doors with wood frames. Two terrace doors were recently replaced at a cost of \$6,000 each. Enclosed balcony doors have sliding glass doors with metal frames.

Balconies and Railings. The majority of balconies are enclosed. Three balconies are exposed, and five terraces are open to the weather at the 26th floor. The structure is cast-in-place concrete and should last as long as the building is in service, provided the waterproofing material is maintained and replaced as needed. The terraces have rubber membrane under pavers and two to three drains depending on the size of the terrace. The three exposed balconies and five terraces have metal rail with partial height glass wall integrated with the railing (see photo #47).

Elevators. The three elevators are functioning and reportedly in good working order. The reserve study includes replacement at the end of a 29-year useful life. The elevators are a 3,000 lb capacity, traction system. The replacement includes elevator machinery, controls, cabs, and doors (see photos #15 to 18).

Trash Chutes and Compactor. Trash chutes service each floor in one location above the loading dock area. The trash compactor is used regularly and aging, it is scheduled to be replaced in the next few years. The chute extends from the loading dock to the top floor, with a stainless steel chute door at each of floors 8 - 26. The chute and doors are scheduled to be replaced at the end of a 38-year service life (see photos #29, 30, and 32).

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Heating and Cooling. Each condominium unit has its own equipment to provide conditioned air to the unit interiors. There are four large McQuay gas-fired split-system units located on the roof that condition the corridor air. Each unit serves a vertical cross-section of floors 8 through 26. One or two of the compressors have been replaced but the majority of the components are original and the system is approaching the end of its normal 20-year life. These units should be considered for replacement at the same time as the roof is replaced, to help spread the significant cost of crane and rigging among multiple components. The roof-mounted exterior ducts have been coated as part of the preventive maintenance program, but we noted several instances of rust on the sheet metal.

Individual common rooms have 2 to 3 ton heat pumps that provide conditioned air to that room. All of the heat pumps are original and should be budgeted for replacement in the next five years. There is a 15-ton unit that conditions the main lobby. The outside equipment was replaced in 2001 and the inside equipment is original. The pedestrian bridges on each floor have a through-the-wall heat pump that was replaced in 1998. These units are rarely used, which should extend the service life. A cooling-only unit serves the management office, and three electric heaters provide heat in the entrance vestibule.

Roof Mounted Exhaust Fans. Approximately 80 exhaust fans are located on the roof and are generally in serviceable condition. The fan housings are aluminum and have a 20-year life. Stainless steel housings have a much longer life but are considerably more expensive to purchase.

Boilers. The existing boilers were built by Lochinvar and have been in service approximately 7 years (see photos #20 and 21). The boilers have a new regulator and new main water shut-off, and the building engineer reported that minor replacements and preventive maintenance is continually performed on the system. These gas-fired units provide hot water for domestic use. There are two hot water tanks to accompany the boilers. One boiler with a 2,500 gallon storage tank serves floors 8 through 20. The second boiler with a 1,500 gallon storage tank serves floors 21 through 26. The tanks are from the original construction and are dated 1988 (see photo #19). The Association intends to test the tanks in several years to determine the wall thickness to establish the remaining service life, which could range from three to 20 years depending on the material of the tank lining. The cost of the storage tank replacement used in the study includes crane mobilization and masonry demolition to provide an opening in the wall to fit the tanks. The boilers should be able to be hoisted using the elevators, and the replacement cost includes a related design fee.

Building Piping Systems (excluding Heating and Cooling). The Association owns the piping from the public utility connection point to the wall of each condominium unit (see photo #22). The copper supply pipes had a history of developing pinhole leaks until recently when the Association implemented a policy to turn off the building's water only one time per month. Since then, the occurrence of pinhole leaks has reportedly been minimal. This practice should help to extend the life of the pipes and valves. A valve study was done several years ago, with a determination that there are a lot of valves and they were not exercised for long periods of time, and therefore may not work when exercised. The Board received a cost estimate to replace all of the valves and determined that it was too expensive to do so. The cost to replace the various risers for rainwater and utilities throughout the building were estimated using data from R.S. Means Building Construction Cost Data and our experience with similar properties. Because it is very unlikely that all of the components of these systems will require replacement within the thirty year period of the

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study, we have included funds to replace 40% of the pipes over a 45- to 50-year period. The valve replacements are part of the supply piping cost.

Domestic Water Booster Pump. (See photos #23 and 24). Three domestic water booster pumps are used to pump the supply water throughout the building. One of the pumps has a 10-hp motor and the other two have a 15-hp motor. The 10-hp pump was replaced several years ago and had a seal leak at the time of the site visit that was going to be replaced using operating funds. We have provided funds to replace the controls system with the next pump replacement.

Fire Suppression System. The building is fully protected with a wet sprinkler pipe system on floors 8 through 26. The dry sprinkler system for the garage is owned by others. The fire pump controller was replaced in 2004 for \$35k to \$40k. The fire pump has a 125-hp motor and good preventive maintenance records. We have provided funds to overhaul the pump after 20 years of service and replace it after 40 years of service. The jockey pump is original, and the size was not visible on the data plate.

Fire Alarm System. (See photos #37 to 40 and 45). The fire alarm system is Simplex brand. The lobby level Fire Control Room houses the Simplex 4100 main panel, 2120 Command Center, and 4009 IDNAC panel. Eleven other fire alarm panels are located throughout the building. Audible alarms are located in each condominium unit and are owned by the Association (average of two annunciators per unit).

Electrical Power. Electric gear and panels are Westinghouse brand. The building power from the service entrance, to the buss duct, switchgear, and transformers is included in this study. Each unit is individually metered with a 125-amp or 150-amp service depending on the size of the unit. The electric service from the meter channels to the units is the responsibility of the unit owners. We have programmed funds to replace transformers every 20 years and to upgrade electrical distribution to common equipment at the end of its 36-year life (see photos #11 - 14). We understand that one of the 75 kva transformers and its service wiring were replaced in February 2005, and the other 12 are original.

UPS System. A small UPS system located in a room by the reception desk serves equipment that is not connected to the generator, such as access control and security equipment.

Emergency Generator. The emergency generator was installed in 1989 and is exercised weekly. The generator is reportedly in good working order and is scheduled for replacement in the next 8 to 10 years. The generator has two 1/3-hp original pumps and a 300-gallon diesel fuel tank. When in use the building does not draw the optimal 80 percent of the 450 Kva according to the building engineer. At the time of replacement an electrical engineer should review the generator capacity and recommend a size that is better suited for the needs of AltaVista Condominiums. The generator replacement cost includes related design fees. The existing system is professionally maintained and maintained regularly. (See photos #7 to 10).

Corridor Renovations. (See photos #42, 43, and 44). The last corridor renovation project is scheduled for 2006. The Association spent \$282,623 painting the walls and ceilings, replacing carpet, and repairing popcorn ceilings throughout the elevator lobbies and corridors. The Association intends to renovate the corridors in similar fashion every 8 years. Light fixtures and ACT ceiling (floors 8 and 26) are scheduled to be replaced every three

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cycles (24 years). We have included the cost to paint the corridors in the reserve study (\$157,290 every 8 years), though we encourage the Association and management company to speak with their accountant about this practice as it pertains to IRS rulings.

The lobby was renovated in 2002 for the third time since its original construction. Both sets of automatic sliding glass doors were replaced then. The marble flooring is professionally maintained and should last two to three renovation cycles. Lobby renovations are scheduled every 15 years (see photos #1, 2, and 48).

Security / Access Control System. (See photos #35 and 36). Two of the exterior doors are access-controlled. The security system is monitored at the front desk and includes 13 cameras. Several of the cameras in the elevators and other locations are new.

Health Suite. (See photos #33 and 34). The health suite was moved in 2002 to its present location, and much of the equipment was purchased at that time. The main floor is rubber, and the entrance is carpet. Equipment includes one nautilus machine, one bench, one stair climber, two elliptical machines, two bikes, four treadmills, and one rowing machine.

D. LIFE EXPECTANCY AND COST ESTIMATES

Estimated Life Left: The "Estimated Life Left in Years" column represents the number of serviceable years left in the item based on its current or repaired condition. It is not a mathematical formula directly related to "Estimated Economic Life in Years." Some items may experience longer lives while others may experience shorter lives depending on many factors such as environment, initial quality of the component, maintenance, etc.

Cyclical Funding: The tuckpointing and mortar repair, pavers and walkway, wet pipe sprinkler system, and domestic water and sanitary waste piping are components that are typically replaced in stages rather than all in one time period. For this reason, these items were placed in the cyclic replacement section of the reserve schedule, at full replacement value.

Partial Funding: Several of the replacement items have been funded at less than 100 percent of their full replacement value. This is done in an effort to keep reserve contributions at a reasonable level, on the theory that many of these components will never be replaced in their entirety. Items such as the tuckpointing and mortar repair, pavers and walkway, wet pipe sprinkler system, and domestic water and sanitary waste piping may be replaced in part over a period of years. However, catastrophic failure is not anticipated, and therefore is not fully funded. The percentage of funding may be adjusted in future years based on historical data and actual experience. All other components were placed in the normal replacement sections at full estimated replacement cost with replacement time estimates based on current conditions and historical data.

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E. SURVEY METHODOLOGY

Valuation: The replacement reserve analysis depends upon estimates of total useful life, life remaining and replacement cost. These estimates were obtained from Government standards, published estimating manuals, recent experience on comparable properties and engineering judgment. We believe that the analysis will provide a useful guide for planning. Actual experience in replacing equipment may differ significantly from the projections in the analysis because of conditions beyond our control, such as maintenance practices, inflation, variations in pricing and market conditions, future technological developments and regulatory actions.

Analyst's Credentials: Mrs. Heather N. Naples holds a Bachelors Degree in Civil Engineering and a Masters Degree in Engineering Administration from Virginia Tech. A registered Professional Engineer, Mrs. Naples has experience in all phases of project design, contract administration, and inspection of public and private facilities. As an Engineer, she has completed multiple facilities engineering studies, life cycle cost studies, and analysis for repair versus replacement of facilities and systems. She is currently an Engineer and Reserve Analyst for Miller-Dodson Associates, Inc.

End of Report

Respectfully Submitted,
MILLER ❖ DODSON ASSOCIATES, INC

Heather N. Naples
Reserve Analyst

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APPENDIX Section A

PROCEDURES AND DEFINITIONS USED IN THE REPLACEMENT RESERVE SCHEDULE

A. Replacement Reserve Analysis

- **Analysis methods.** The Replacement Reserve industry generally recognizes two different methods of accounting for Replacement Reserve Analysis. Due to the difference in accounting methodologies, these methods lead to different calculated values for the *Minimum Annual Contribution* to the Reserves. The results of both methods are presented in this report. The Association should obtain the advice of its accounting professional as to which method is more appropriate for this Association. The two methods are:

1. **Component Method.** This method is a time tested mathematical model developed by HUD in the early 1980's. It treats each item in the replacement schedule as an individual line item budget. Generally, the *Minimum Annual Contribution* to Reserves is higher when calculated by the Component Method. The mathematical model for this method works as follows:

First, the total *Current Objective* is calculated, which is the reserve amount that would have accumulated had all of the items on the schedule been funded from initial construction at their current replacement costs. Next, the *Reserve Currently on Deposit* (as reported by the Association) are distributed to the components in the schedule in proportion to the *Current Objective*. The *Minimum Annual Deposit* for each component is equal to the Estimated Replacement Cost, minus the Reserves on Hand, divided by the years of life remaining.

2. **Cash Flow Method.** The Cash Flow Method is sometimes referred to as the "Pooling Method." It calculates the minimum constant annual contribution to reserves (*Minimum Annual Deposit*) required to meet projected expenditures, without allowing TOTAL reserves on hand to fall below the specified minimum level in any year. This method usually results in a calculated requirement for annual contribution somewhat less than that arrived at by the Component Method of analysis.

First, the *Minimum Recommended Reserve Level to be Held on Account* is determined based on the age, condition, and replacement cost of the individual components. The mathematical model then allocates the estimated replacement costs to the future years in which they are projected to occur. Based on these expenditures, it then calculates the minimum constant yearly contribution (*Minimum Annual Deposit*) to the reserves necessary to keep the reserve balance at the end of each year above the *Minimum Recommended Reserve Level to be Held on Account*. The Cash Flow Analysis assumes that the Association will have authority to use all of the reserves on hand for replacements as the need occurs. This method usually results in a *Minimum Annual Deposit* that is less than that arrived at by the Component Analysis.

- **Adjusted Cash Flow Analysis.** This program has the ability to modify the Cash Flow Method to take into account forecasted inflation and interest rates, thereby producing an *Adjusted Cash Flow Analysis*. Attempting to forecast future inflation and interest rates and the impact of changing technology is highly tenuous. Therefore, in most cases it is preferable to make a new schedule periodically rather than attempt to project far into the future. We will provide more information on this type of analysis upon request.

- **Unit costs.** Unit costs are developed using nationally published standards and estimating guides, and are adjusted by state or region. In some instances, recent data received in the course of our work is used to modify these figures.

Contractor proposals or actual cost experience may be available as part of the Association records. This is useful information that should be incorporated into your report. Please bring any such available data to our attention, preferably before the report is commenced.

- **Replacement vs. repair and maintenance.** A Replacement Reserve Study addresses the required funding for Capital Replacement Expenditures. This should not be confused with operational costs or cost of repairs or maintenance.

B. Definitions

- **Adjusted Cash Flow Analysis.** Cash flow analysis adjusted to take into account annual cost increases due to inflation, and interest earned on invested reserves. In this method, the annual contribution is assumed to grow annually at the inflation rate.
- **Annual Deposit if Reserves Were Fully Funded.** Shown on the Summary Sheet, "A" in the Component Method summary, this would be the amount of the Annual Deposit needed if the *Reserves Currently on Deposit* were equal to the *Total Current Objective*.
- **Cash Flow Analysis.** See *Cash Flow Method*, above.
- **Component Analysis.** See *Component Method*, above.
- **Contingency.** An allowance for unexpected requirements. Roughly the same as the *Minimum Recommended Reserve Level to be Held on Account* used in the *Cash Flow Method* of analysis.
- **Critical Year.** In the *Cash Flow Analysis*, a year in which the reserves on hand are projected to fall to the established minimum level. See *Minimum Recommended Reserve Level to be Held on Account*
 - **Current Objective.** *This is the reserve amount that would have accumulated had the item been funded from initial construction at its current replacement costs. It is equal to the estimated replacement cost divided by the estimated economic life, times the number of years expended (the difference between the Estimated Economic Life and the Estimated Life Left). The Total Current Objective can be thought of as the amount of reserves the Association should now have on hand based on the sum of all of the Current Objectives.*
- **Cyclic Replacement Item.** A component item that typically begins to fail after an initial period (*Estimated Initial Replacement*), but which will be replaced in increments over a number of years (the *Estimated Replacement Cycle*). The Reserve Analysis program divides the number of years in the *Estimated Replacement Cycle* into five equal increments. It then allocates the *Estimated Replacement Cost* equally over those five increments. (As distinguished from *Normal Replacement Items*, see below)
- **Normal Replacement Schedules.** A component item that typically begins to fail after an initial period (*Estimated Initial Replacement*), but which will be replaced in increments over a number of years (the *Estimated Replacement Cycle*).
- **Estimated Economic Life.** Used in the *Normal Replacement Schedules*. This represents the industry average number of years that a new item should be expected to last until it has to be replaced. This figure is sometimes modified by climate, region, or original construction conditions.

- **Estimated Economic Life Left.** Used in the *Normal Replacement Schedules*. Number of years until the item is expected to need replacement. Normally, this number would be considered to be the difference between the *Estimated Economic Life* and the age of the item. However, this number must be modified to reflect maintenance practice, climate, original construction and quality, or other conditions. For the purpose of this report, this number is determined by the Reserve Analyst based on the present condition of the item relative to the actual age.
- **Estimated Initial Replacement.** For a *Cyclic Replacement Item* (see above), the number of years until the replacement cycle is expected to begin.
- **Estimated Replacement Cycle.** For a *Cyclic Replacement Item*, the number of years over which the remainder of the component's replacement occurs.
- **Minimum Annual Deposit.** Shown on the Summary Sheet, "A-1." The calculated requirement for annual contribution to reserves as calculated by the *Cash Flow Method* (see above).
- **Minimum Deposit in the Study Year.** Shown on the Summary Sheet, "A-1." The calculated requirement for contribution to reserves in the study year as calculated by the Component Method (see above).
- **Minimum Recommended Reserve Level to be Held on Account.** Shown on the Summary Sheet, "A" this number is used in the Cash Flow Method only, this is the prescribed level below which the reserves will not be allowed to fall in any year. This amount is determined based on the age, condition, and replacement cost of the individual components. This number is normally given as a percentage of the total Estimated Replacement Cost of all reserve components.
- **Normal Replacement Item.** A component of the property that, after an expected economic life, is replaced in its entirety. (As distinguished from *Cyclic Replacement Items*, see above.)
- **Normal Replacement Schedules.** The list of Normal Replacement Items by category or location. These items appear on pages designated.
- **Number of Years of the Study.** The number of years into the future for which expenditures are projected and reserve levels calculated. This number should be large enough to include the projected replacement of every item on the schedule, at least once. This study covers a 40-year period.
- **One Time Deposit Required to Fully Fund Reserves.** Shown on the Summary Sheet, "A-1" in the Component Method summary, this is the difference between the *Total Current Objective* and the *Reserves Currently on Deposit*.
- **Reserves Currently on Deposit.** Shown on the Summary Sheet, "A-1", this is the amount of accumulated reserves as reported by the Association in the current year.
- **Reserves on Hand.** Shown in the *Cyclic Replacement* and *Normal Replacement Schedules*, this is the amount of reserves allocated to each component item in the *Cyclic* or *Normal Replacement* schedules. This figure is based on the ratio of *Reserves Currently on Deposit* divided by the total *Current Objective*.
- **Replacement Reserve Study.** An analysis of all of the components of the common property of the Association for which a need for replacement should be anticipated within the economic life of the property as a whole. The analysis involves estimation for each component of its estimated Replacement Cost, Estimated Economic Life, and Estimated Life Left. The objective of the study is to calculate a recommended annual contribution to the Association's Replacement Reserve Fund.

- **Total Replacement Cost.** Shown on the Summary Sheet, "A-1", this is total of the Estimated Replacement Costs for all items on the schedule if they were to be replaced once.
- **Unit Replacement Cost.** Estimated replacement cost for a single unit of a given item on the schedule.
- **Unit (of Measure).** The following abbreviations are used in this report:
EA: each FT: feet LS: lump sum SF: square feet

REPLACEMENT RESERVE ANALYSIS

AltaVista at Ballston Metro Center

April 24, 2006

GENERAL INFORMATION:

2007	Study Year
\$1,083,192	Replacement Reserves reported to be on deposit at start of Study Year
\$4,493,214	Estimated value of all Components included in the Replacement Reserve Inventory
The information shown in this Summary does not account for interest earned on Replacement Reserves on deposit, nor does it include adjustments for inflation. For more information see the attached Appendix.	

REPORTED CURRENT FUNDING DATA:

\$189,932 REPORTED CURRENT ANNUAL CONTRIBUTION TO REPLACEMENT RESERVES

\$57.14 Per unit current monthly contribution to Replacement Reserves

CASH FLOW METHOD CALCULATIONS:

\$215,573 MINIMUM RECOMMENDED ANNUAL CONTRIBUTION TO REPLACEMENT RESERVES

\$64.85 Per unit minimum recommended monthly contribution to Replacement Reserves

\$224,661 Recommended minimum Replacement Reserve Funding Threshold (5.0 percent)

2030 First year Reserves fall to minimum recommended level (Design Year)

COMPONENT METHOD CALCULATIONS:

\$371,147 MINIMUM RECOMMENDED ANNUAL CONTRIBUTION TO RESERVES (IN STUDY YEAR)

\$111.66 Per unit minimum recommended monthly contribution to Replacement Reserves

\$2,067,236 Current Funding Objective

52.40% Funding Percentage

\$984,044 One time deposit required to fully fund Replacement Reserves

\$222,676 Annual Contribution to Replacement Reserves if Reserves were fully funded.

PROJECT INFORMATION:

PROPERTY MANAGED BY:
Legum & Norman
Mr. Andrew Barnes
4401 Ford Avenue
Alexandria, VA 22302
703 - 848-4324

MAJOR COMPONENTS IN ANALYSIS:
Exterior pavers, windows, main entrance,
lobby, hall finishes, party room, fitness center,
mechanical and electrical, elevators, and roof.
PROPERTY LOCATION:
Arlington, VA

TYPE OF PROPERTY:
High Rise
OF UNITS:
277
YEAR BUILT:
1988

NOTES:

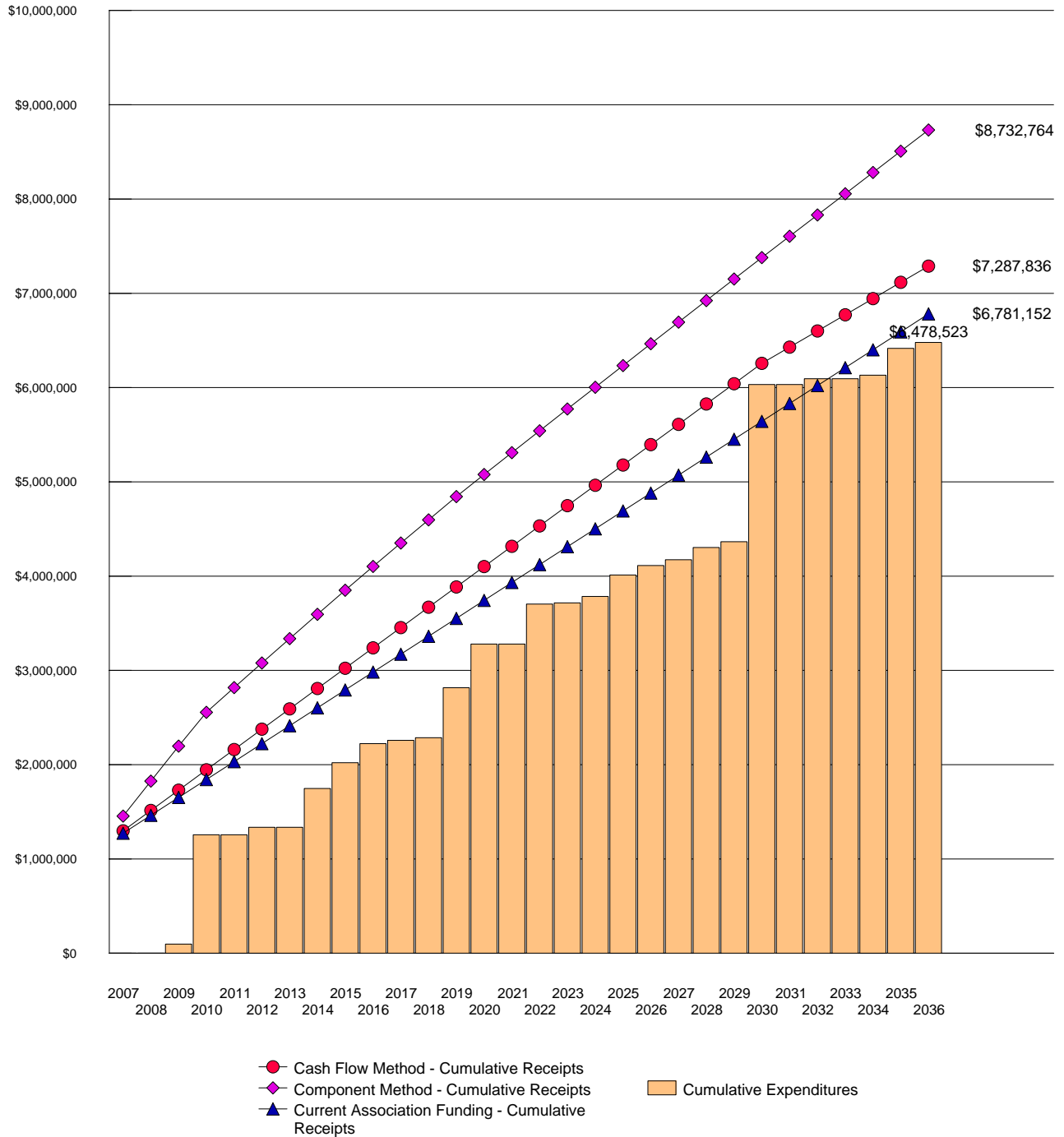
- This Study complies with the National Reserve Study Standards that were adopted by the CAI in 1998.
 - The Association uses a fiscal year that covers the period January 1 through December 31.
- This report was revised on August 21, 2006.
8/21/06. The starting balance was adjusted.

REPLACEMENT RESERVE ANALYSIS

AltaVista at Ballston Metro Center

April 24, 2006

Funding Methods Comparison Graph - Cumulative Receipts and Expenditures

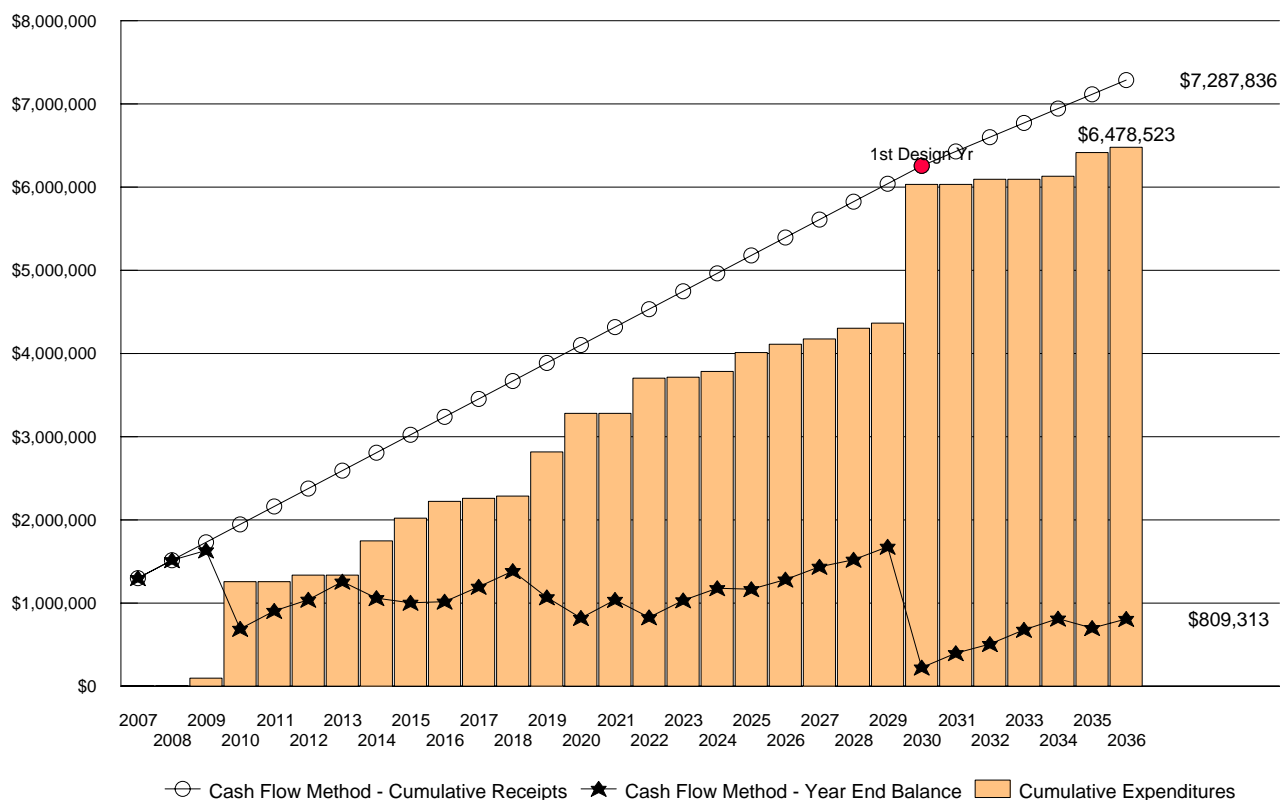


REPLACEMENT RESERVE ANALYSIS

AltaVista at Ballston Metro Center

April 24, 2006

Cash Flow Method - Cumulative Receipts and Expenditures Graph



Cash Flow Method Data - Years 1 through 30

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TEN YEAR SUMMARIES
Starting balance	\$1,083,192										
Annual deposit	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	Expenditures: \$2,222,903 Receipts: \$3,238,922
Expenditures	\$0	\$0	\$97,106	\$1,158,975	\$0	\$80,000	\$0	\$412,056	\$273,000	\$201,766	
Year end balance	\$1,298,765	\$1,514,338	\$1,632,805	\$689,403	\$904,976	\$1,040,549	\$1,256,122	\$1,059,639	\$1,002,212	\$1,016,019	
Minimum rec. funding lvl.	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	
Cumulative expenditures	\$0	\$0	\$97,106	\$1,256,081	\$1,256,081	\$1,336,081	\$1,336,081	\$1,748,137	\$2,021,137	\$2,222,903	
Cumulative receipts	\$1,298,765	\$1,514,338	\$1,729,911	\$1,945,484	\$2,161,057	\$2,376,630	\$2,592,203	\$2,807,776	\$3,023,349	\$3,238,922	
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Expenditures: \$1,889,288 Receipts: \$2,157,747
Annual deposit	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	\$215,573	
Expenditures	\$36,000	\$27,000	\$531,158	\$462,905	\$0	\$423,885	\$12,000	\$69,000	\$227,340	\$100,000	
Year end balance	\$1,195,592	\$1,384,165	\$1,068,579	\$821,247	\$1,036,820	\$828,509	\$1,032,082	\$1,178,655	\$1,166,888	\$1,282,461	
Minimum rec. funding lvl.	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	
Cumulative expenditures	\$2,258,903	\$2,285,903	\$2,817,061	\$3,279,966	\$3,279,966	\$3,703,851	\$3,715,851	\$3,784,851	\$4,012,191	\$4,112,191	
Cumulative receipts	\$3,454,495	\$3,670,068	\$3,885,641	\$4,101,214	\$4,316,787	\$4,532,359	\$4,747,932	\$4,963,505	\$5,179,078	\$5,394,651	
Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Expenditures: \$2,366,332 Receipts: \$1,895,212
Annual deposit	\$215,573	\$215,573	\$215,573	\$215,573	\$171,816	\$171,816	\$171,816	\$171,816	\$171,816	\$171,816	
Expenditures	\$62,048	\$130,076	\$61,300	\$1,666,668	\$0	\$61,700	\$0	\$37,993	\$284,500	\$62,048	
Year end balance	\$1,435,986	\$1,521,483	\$1,675,756	\$224,661	\$396,476	\$506,592	\$678,407	\$812,230	\$699,546	\$809,313	
Minimum rec. funding lvl.	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	\$224,661	
Cumulative expenditures	\$4,174,239	\$4,304,315	\$4,365,615	\$6,032,283	\$6,032,283	\$6,093,983	\$6,093,983	\$6,131,975	\$6,416,475	\$6,478,523	
Cumulative receipts	\$5,610,224	\$5,825,797	\$6,041,370	\$6,256,943	\$6,428,759	\$6,600,574	\$6,772,390	\$6,944,205	\$7,116,021	\$7,287,836	

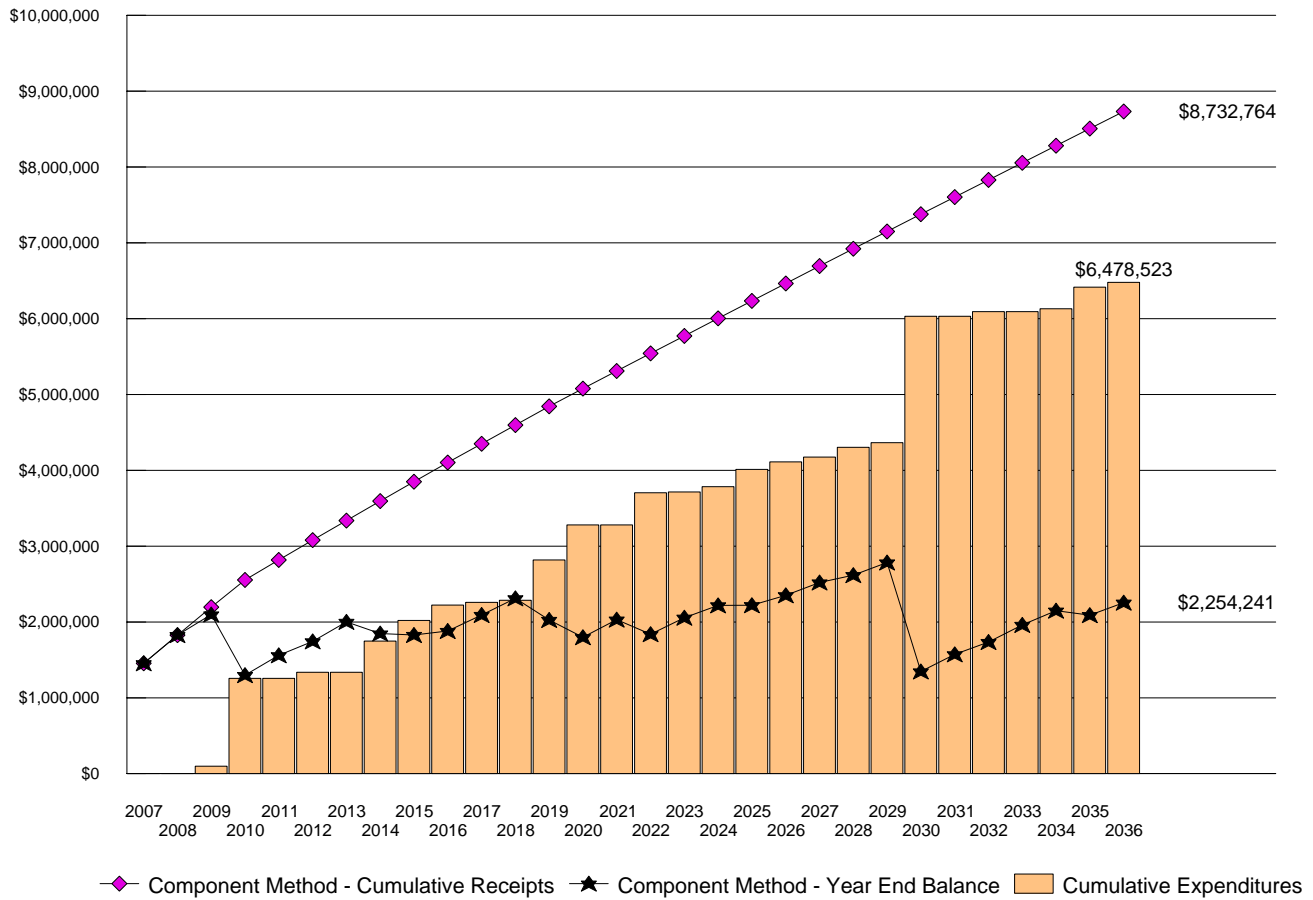
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REPLACEMENT RESERVE ANALYSIS

AltaVista at Ballston Metro Center

April 24, 2006

Component Method - Cumulative Receipts and Expenditures Graph



Component Method Data - Years 1 through 30

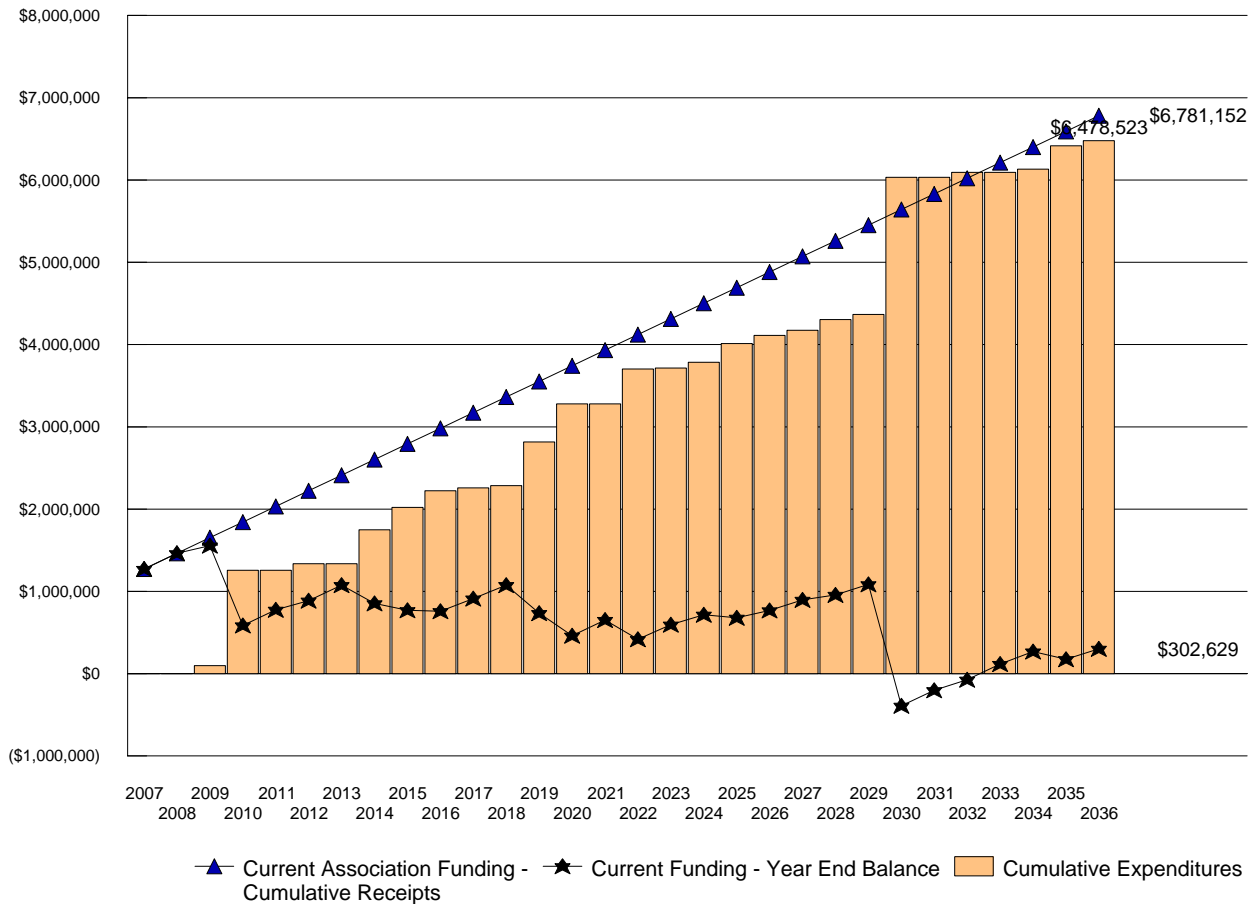
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TEN YEAR SUMMARIES
Starting balance	\$1,083,192										
Annual deposit	\$371,147	\$371,147	\$371,147	\$358,522	\$262,109	\$262,109	\$257,932	\$257,932	\$255,016	\$253,199	
Expenditures	\$0	\$0	\$97,106	\$1,158,975	\$0	\$80,000	\$0	\$412,056	\$273,000	\$201,766	Expenditures: \$1,889,288 Receipts: \$2,362,979
Year end balance	\$1,454,339	\$1,825,486	\$2,099,527	\$1,299,074	\$1,561,184	\$1,743,293	\$2,001,225	\$1,847,101	\$1,829,117	\$1,880,550	
Cumulative Expenditures	\$0	\$0	\$97,106	\$1,256,081	\$1,256,081	\$1,336,081	\$1,336,081	\$1,748,137	\$2,021,137	\$2,222,903	Expenditures: \$2,366,332 Receipts: \$2,270,376
Cumulative Receipts	\$1,454,339	\$1,825,486	\$2,196,633	\$2,555,155	\$2,817,265	\$3,079,374	\$3,337,306	\$3,595,238	\$3,850,254	\$4,103,453	
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Expenditures: \$2,366,332 Receipts: \$2,270,376
Annual deposit	\$247,288	\$246,365	\$245,971	\$235,341	\$231,817	\$231,817	\$230,748	\$230,713	\$230,489	\$230,413	
Expenditures	\$36,000	\$27,000	\$531,158	\$462,905	\$0	\$423,885	\$12,000	\$69,000	\$227,340	\$100,000	Expenditures: \$2,366,332 Receipts: \$2,270,376
Year end balance	\$2,091,838	\$2,311,203	\$2,026,016	\$1,798,452	\$2,030,269	\$1,838,202	\$2,056,949	\$2,218,662	\$2,221,811	\$2,352,224	
Cumulative Expenditures	\$2,258,903	\$2,285,903	\$2,817,061	\$3,279,966	\$3,279,966	\$3,703,851	\$3,715,851	\$3,784,851	\$4,012,191	\$4,112,191	Expenditures: \$2,366,332 Receipts: \$2,270,376
Cumulative Receipts	\$4,350,741	\$4,597,107	\$4,843,077	\$5,078,418	\$5,310,235	\$5,542,052	\$5,772,800	\$6,003,513	\$6,234,002	\$6,464,415	
Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Expenditures: \$2,366,332 Receipts: \$2,270,376
Annual deposit	\$229,355	\$228,605	\$228,471	\$228,125	\$225,709	\$225,709	\$225,611	\$225,611	\$225,576	\$225,576	
Expenditures	\$62,048	\$130,076	\$61,300	\$1,666,668	\$0	\$61,700	\$0	\$37,993	\$284,500	\$62,048	Expenditures: \$2,366,332 Receipts: \$2,270,376
Year end balance	\$2,519,532	\$2,618,061	\$2,785,232	\$1,346,689	\$1,572,398	\$1,736,408	\$1,962,019	\$2,149,637	\$2,090,713	\$2,254,241	
Cumulative Expenditures	\$4,174,239	\$4,304,315	\$4,365,615	\$6,032,283	\$6,032,283	\$6,093,983	\$6,093,983	\$6,131,975	\$6,416,475	\$6,478,523	Expenditures: \$2,366,332 Receipts: \$2,270,376
Cumulative Receipts	\$6,693,770	\$6,922,375	\$7,150,846	\$7,378,971	\$7,604,681	\$7,830,390	\$8,056,001	\$8,281,612	\$8,507,188	\$8,732,764	

REPLACEMENT RESERVE ANALYSIS

AltaVista at Ballston Metro Center

April 24, 2006

Current Association Funding - Cumulative Receipts and Expenditures Graph



Current Funding Data - Years 1 through 30

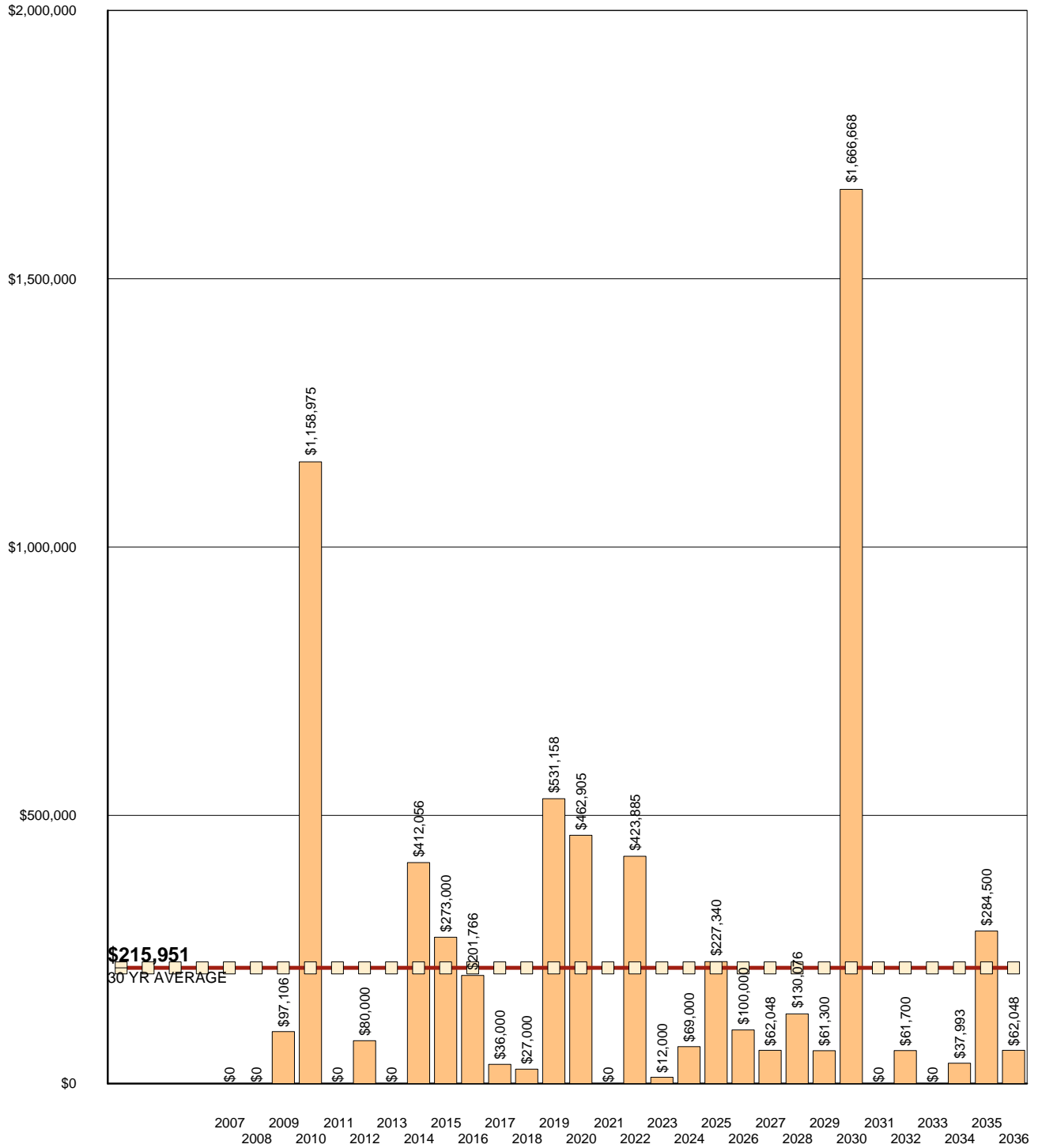
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TEN YEAR SUMMARIES
Starting balance	\$1,083,192										Expenditures: \$2,222,903 Receipts: \$2,982,512
Annual deposit	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	
Expenditures	\$0	\$0	\$97,106	\$1,158,975	\$0	\$80,000	\$0	\$412,056	\$273,000	\$201,766	
Year end balance	\$1,273,124	\$1,463,056	\$1,555,882	\$586,839	\$776,771	\$886,703	\$1,076,635	\$854,511	\$771,443	\$759,609	
Cumulative Expenditures	\$0	\$0	\$97,106	\$1,256,081	\$1,256,081	\$1,336,081	\$1,336,081	\$1,748,137	\$2,021,137	\$2,222,903	
Cumulative Receipts	\$1,273,124	\$1,463,056	\$1,652,988	\$1,842,920	\$2,032,852	\$2,222,784	\$2,412,716	\$2,602,648	\$2,792,580	\$2,982,512	
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TEN YEAR SUMMARIES
Annual deposit	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	Expenditures: \$1,889,288 Receipts: \$1,899,320
Expenditures	\$36,000	\$27,000	\$531,158	\$462,905	\$0	\$423,885	\$12,000	\$69,000	\$227,340	\$100,000	
Year end balance	\$913,541	\$1,076,473	\$735,247	\$462,274	\$652,206	\$418,253	\$596,185	\$717,117	\$679,709	\$769,641	
Cumulative expenditures	\$2,258,903	\$2,285,903	\$2,817,061	\$3,279,966	\$3,279,966	\$3,703,851	\$3,715,851	\$3,784,851	\$4,012,191	\$4,112,191	
Cumulative receipts	\$3,172,444	\$3,362,376	\$3,552,308	\$3,742,240	\$3,932,172	\$4,122,104	\$4,312,036	\$4,501,968	\$4,691,900	\$4,881,832	
Annual deposit	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	\$189,932	
Expenditures	\$62,048	\$130,076	\$61,300	\$1,666,668	\$0	\$61,700	\$0	\$37,993	\$284,500	\$62,048	
Year end balance	\$897,525	\$957,381	\$1,086,013	(\$390,723)	(\$200,791)	(\$72,559)	\$117,373	\$269,313	\$174,745	\$302,629	
Cumulative Expenditures	\$4,174,239	\$4,304,315	\$4,365,615	\$6,032,283	\$6,032,283	\$6,093,983	\$6,093,983	\$6,131,975	\$6,416,475	\$6,478,523	
Cumulative Receipts	\$5,071,764	\$5,261,696	\$5,451,628	\$5,641,560	\$5,831,492	\$6,021,424	\$6,211,356	\$6,401,288	\$6,591,220	\$6,781,152	

REPLACEMENT RESERVE ANALYSIS

AltaVista at Ballston Metro Center

April 24, 2006

Graph of Annual Replacement Expenditures



REPLACEMENT RESERVE INVENTORY

AltaVista at Ballston Metro Center

April 24, 2006

INVENTORY OF COMPONENTS - INTERVAL REPLACEMENT

ITEM #	COMPONENT	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	COMPLETE CYCLE (YRS)	INITIAL REPLACEMENT (YRS)	TOTAL REPLACEMENT COST (\$)
1	Tuck Point and Mortar Repair at 40%	sf	52770	\$12.50	50	3	\$659,625
	10554 units to be replaced in 2010						\$131,925
	10554 units to be replaced in 2020						\$131,925
	10554 units to be replaced in 2030						\$131,925
	10554 units to be replaced in 2040						\$131,925
	10554 units to be replaced in 2050						\$131,925
2	Wet Pipe Sprinkler System at 40%	ls	1	\$56,000.00	50	25	\$56,000
	0.2 units to be replaced in 2032						\$11,200
	0.2 units to be replaced in 2042						\$11,200
	0.2 units to be replaced in 2052						\$11,200
	0.2 units to be replaced in 2062						\$11,200
	0.2 units to be replaced in 2072						\$11,200
3	Domestic Water Piping at 40%	ls	1	\$199,440.00	45	20	\$199,440
	0.2 units to be replaced in 2027						\$39,888
	0.2 units to be replaced in 2036						\$39,888
	0.2 units to be replaced in 2045						\$39,888
	0.2 units to be replaced in 2054						\$39,888
	0.2 units to be replaced in 2063						\$39,888
4	Sanitary Waste Piping at 40%	ls	1	\$110,800.00	45	20	\$110,800
	0.2 units to be replaced in 2027						\$22,160
	0.2 units to be replaced in 2036						\$22,160
	0.2 units to be replaced in 2045						\$22,160
	0.2 units to be replaced in 2054						\$22,160
	0.2 units to be replaced in 2063						\$22,160

COMMENTS:

8/21/06. Deleted pavers.

REPLACEMENT RESERVE INVENTORY

AltaVista at Ballston Metro Center

April 24, 2006

INVENTORY OF COMPONENTS - NORMAL REPLACEMENT

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
SITE FACILITIES / IMPROVEMENTS							
5	Entrance Canopy (lighted)	ea	1	\$36,000.00	27	10	\$36,000
6	Break Metal at Portico piers	ea	1	\$18,000.00	40	23	\$18,000
BUILDING EXTERIOR							
7	Balconies (Waterproofing)	sf	630	\$15.00	20	3	\$9,450
8	Pavers at Balconies	sf	630	\$10.00	20	3	\$6,300
9	Bird Wires	ea	1	\$8,500.00	20	13	\$8,500
10	Terrace Sliding Doors	ea	10	\$2,500.00	19	2	\$25,000
11	Terrace French Doors (2004)	ea	2	\$6,000.00	19	16	\$12,000
12	Terrace French Doors (original)	ea	3	\$6,000.00	19	2	\$18,000
13	Terrace Glass Walls	lf	75	\$150.00	38	21	\$11,250
14	Terrace Railings	lf	100	\$35.00	38	21	\$3,500
15	Caulk Exterior Penetrations	lf	60,000	\$1.00	10	3	\$60,000
16	Window Repairs	ls	1	\$200,000.00	5	3	\$200,000
17	Bridge Structure Sealant and Caulking	ls	1	\$50,000.00	15	13	\$50,000
18	Extruded Louvers	sf	1,467	\$32.00	32	15	\$46,944
19	Rigging for Roof and Mech Sys @ 50%	ls	1	\$75,000.00	20	3	\$75,000
20	IRMA Roof (share 50/50 with Hotel)	sf	10,000	\$18.25	20	3	\$182,500
21	Rooftop Exhaust Fans	ea	80	\$1,450.00	20	3	\$116,000
22	Metal Wind Screen at Rooftop	sf	1,200	\$59.31	50	33	\$71,172
23	Rooftop Guardrail	lf	300	\$32.80	35	18	\$9,840

COMMENTS:

Windows: The Association has elected to special assess for window replacement if the windows are ever replaced in full.

8/21/06. Deleted fixed bridge windows.

8/21/06. Changed windows replacement to window repair.

8/21/06. Changed normal life of entrance canopy, break metal at portico piers, terrace sliding doors, terrace French doors, terrace glass walls, terrace railings, window repairs, and extruded louvers.

8/21/06. Changed remaining life of entrance canopy, break metal at portico piers, terrace sliding doors, terrace French doors, terrace glass walls, terrace railings, window repairs, and extruded louvers.

REPLACEMENT RESERVE INVENTORY

AltaVista at Ballston Metro Center

April 24, 2006

INVENTORY OF COMPONENTS - NORMAL REPLACEMENT

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
BUILDING INTERIORS							
24	Garage Level Lobbies - Wallcovering	sf	1,584	\$5.00	20	3	\$7,920
25	Garage Level Lobbies - Ceilings and Fixt	sf	546	\$10.00	20	3	\$5,460
26	Trash Compactor	ea	1	\$16,106.00	19	2	\$16,106
27	Trash Chute w/ Doors	fl	18	\$2,350.00	38	22	\$42,300
28	Carpet, Corridors	sy	4,600	\$33.00	8	7	\$151,800
29	Popcorn Ceiling Paint	sf	22,245	\$1.10	8	7	\$24,470
30	Popcorn Ceiling Repairs	sf	22,245	\$1.50	24	23	\$33,368
31	ACT Ceiling - 8th and 26th Floors	sf	2,966	\$3.50	24	15	\$10,381
32	Hallway Renovations, Paint	ls	1	\$157,290.00	8	7	\$157,290
33	Common Interior Doors	ea	75	\$360.96	24	7	\$27,072
34	Tenant Entry Doors	ea	277	\$360.96	40	23	\$99,986
35	Ceiling Fixtures	ea	152	\$88.85	24	7	\$13,505
36	Fluorescent Fixtures	ea	228	\$88.85	24	7	\$20,258
37	Exit Lights	ea	152	\$83.30	24	7	\$12,662
HEALTH SUITE							
38	Treadmills & Elliptical Machines	ea	6	\$2,500.00	10	5	\$15,000
39	Stair / Cycle / Health Rider	ls	1	\$5,000.00	15	3	\$5,000
40	Universal Gym	ea	1	\$5,000.00	20	8	\$5,000

COMMENTS:

- 8/21/06. Deleted garage level lobby flooring and doors.
- 8/21/06. Deleted health suite flooring and bathroom renovation.
- 8/21/06. Changed quantity of interior doors.
- 8/21/06. Separated popcorn ceiling repairs and painting.
- 8/21/06. Changed cost of stair/cycle/health rider.
- 8/21/06. Changed normal life of trash compactor, trash chute, and interior doors.
- 8/21/06. Changed remaining life of trash compactor, trash chute, and interior doors.

REPLACEMENT RESERVE INVENTORY

AltaVista at Ballston Metro Center

April 24, 2006

INVENTORY OF COMPONENTS - NORMAL REPLACEMENT

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
BUILDING INTERIORS - cont'd							
41	Access Control System	ea	1	\$23,220.00	18	3	\$23,220
42	Lobby Floor, Marble	sf	1,062	\$9.88	32	27	\$10,493
43	Entrance Doors w/Operators	sf	96	\$130.00	18	13	\$12,480
44	Reception/Security Desk	ea	1	\$25,000.00	22	17	\$25,000
45	Loading dock door (to be installed)	ea	1	\$12,500.00	18	18	\$12,500
PARTY ROOM							
46	Party Room Furnishings	ls	1	\$29,500.00	20	5	\$29,500
47	Party Room Bathroom - Renovate	ea	2	\$4,500.00	32	15	\$9,000
MANAGEMENT OFFICE							
48	Management Office Furnishings	ls	1	\$6,000.00	20	5	\$6,000
49	Management Office Equipment	ls	1	\$5,000.00	5	2	\$5,000
50	Office and Corridor Bathroom-Renovate	ls	2	\$4,500.00	32	15	\$9,000

COMMENTS:

8/21/06. Deleted laundry room washers and dryers, entry door system, CCTV security system, party room flooring, party room window treatments, party room lighting, and management office flooring.

8/21/06. Added loading dock door and office & corridor bathroom renovation.

8/21/06. Changed cost of access control system.

8/21/06. Changed normal life of access control system, marble lobby floor, entrance doors, reception/security desk, and party room bathroom renovation.

8/21/06. Changed remaining life of marble lobby floor, entrance doors, reception/security desk, and party room bathroom renovation.

REPLACEMENT RESERVE INVENTORY

AltaVista at Ballston Metro Center

April 24, 2006

INVENTORY OF COMPONENTS - NORMAL REPLACEMENT

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
BUILDING MECHANICAL SYSTEMS							
51	Corridor HVAC, Gas-Fired Split System	ea	4	\$51,000.00	20	3	\$204,000
52	Stand Alone Heat Pumps	ea	2	\$5,000.00	20	3	\$10,000
53	Party Room Heat Pump, 2.5 tons	ea	3	\$5,000.00	19	2	\$15,000
54	Health Suite Heat Pump, 2 tons	ea	2	\$4,500.00	19	2	\$9,000
55	Laundry Room Heat Pump, 2 tons	ea	2	\$4,500.00	19	2	\$9,000
56	Bridge HVAC units	ea	18	\$1,500.00	19	11	\$27,000
57	Lobby Heat Pump, 15 tons, AHU	ea	1	\$18,000.00	28	8	\$18,000
58	Lobby Heat Pump, 15 tons, Compressor	ea	1	\$14,000.00	14	8	\$14,000
59	Elevator Room AC Unit	ea	1	\$29,500.00	23	5	\$29,500
60	Domestic Water Booster Pumps w/contr	ea	3	\$8,500.00	20	3	\$25,500
61	Domestic Boilers, Gas-Fired	ea	2	\$18,000.00	15	8	\$36,000
62	Domestic Hot Water Tank, 2,500-gal	ea	1	\$20,500.00	20	3	\$20,500
63	Domestic Hot Water Tank, 1,500-gal	ea	1	\$16,500.00	20	3	\$16,500
64	Elevators, Traction, 3,000 lb capacity	ea	3	\$130,000.00	29	12	\$390,000
65	Elevator Cab Finishes	ea	3	\$7,500.00	29	27	\$22,500
66	Stair Pressurization Fans	ea	2	\$4,500.00	29	12	\$9,000

COMMENTS:

Note: Price for corridor split system units excludes the cost of the crane and rigging. The crane and rigging cost is a separate item in the "Building Exteriors" category. The roof and these large corridor HVAC units have the same life expectancy and therefore the same crane should be used to replace the roof and HVAC units concurrently.

8/21/06. Deleted electric heaters for entry doors and management office AC unit.

8/21/06. Changed normal life of heat pumps, HVAC units, AC unit, elevators and cabs, and stair pressurization fans.

8/21/06. Changed remaining life of heat pumps, HVAC units, AC unit, elevator and cabs, and stair pressurization fans.

REPLACEMENT RESERVE INVENTORY

AltaVista at Ballston Metro Center

April 24, 2006

INVENTORY OF COMPONENTS - NORMAL REPLACEMENT

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
BUILDING ELECTRICAL SYSTEMS							
67	Transformers (45 Kva)	ea	13	\$3,500.00	20	3	\$45,500
68	UPS (for common property)	ea	1	\$5,000.00	20	3	\$5,000
69	Electric Service to Common Areas	ls	1	\$100,000.00	36	19	\$100,000
70	Generator	ea	1	\$201,766.00	26	9	\$201,766
71	Generator Piping and Electrical	ea	1	\$320,000.00	52	35	\$320,000
72	Fire Alarm Panels and Annunciators	ls	1	\$127,158.00	29	12	\$127,158
73	Overhaul Fire Pump	ea	1	\$9,200.00	20	3	\$9,200
74	Fire Pump, 125 hp	ea	1	\$15,000.00	40	23	\$15,000
75	Fire Pump Controller	ea	1	\$39,000.00	20	17	\$39,000

COMMENTS:

8/21/06. Fire alarm panels and annunciators includes an average of two annunciators per unit = \$41,550.

8/21/06. Deleted jockey pump.

8/21/06. Changed cost of UPS, fire alarm panels and annunciators.

8/21/06. Changed normal life of electric service, generator, piping and electrical, and fire alarm panels and annunciators.

8/21/06. Changed remaining life of electric service, generator, piping and electrical, and fire alarm panels and annunciators.

REPLACEMENT RESERVE INVENTORY**AltaVista at Ballston Metro Center****April 24, 2006****SCHEDULE OF REPLACEMENTS - YEARS ONE TO FIFTEEN**

2007		2008		2009	
No Scheduled Replacements		No Scheduled Replacements		Terrace Sliding Doors	\$25,000
				Terrace French Doors (original)	\$18,000
				Trash Compactor	\$16,106
				Party Room Heat Pump, 2.5 tons	\$15,000
				Health Suite Heat Pump, 2 tons	\$9,000
				Laundry Room Heat Pump, 2 ton	\$9,000
				Management Office Equipment	\$5,000
				Total Scheduled Replacements	\$97,106
2010		2011		2012	
Corridor HVAC, Gas-Fired Split	\$204,000	No Scheduled Replacements		Elevator Room AC Unit	\$29,500
Window Repairs	\$200,000			Party Room Furnishings	\$29,500
IRMA Roof (share 50/50 with Ho	\$182,500			Treadmills & Elliptical Machines	\$15,000
Tuck Point and Mortar Repair at	\$131,925			Management Office Furnishings	\$6,000
Rooftop Exhaust Fans	\$116,000			Total Scheduled Replacements	\$80,000
Rigging for Roof and Mech Sys	\$75,000				
Caulk Exterior Penetrations	\$60,000				
Transformers (45 Kva)	\$45,500				
Other Replacements	\$144,050				
Total Scheduled Replacements	\$1,158,975				
2013		2014		2015	
No Scheduled Replacements		Hallway Renovations, Paint	\$157,290	Window Repairs	\$200,000
		Carpet, Corridors	\$151,800	Domestic Boilers, Gas-Fired	\$36,000
		Common Interior Doors	\$27,072	Lobby Heat Pump, 15 tons, AHU	\$18,000
		Popcorn Ceiling Paint	\$24,470	Lobby Heat Pump, 15 tons, Com	\$14,000
		Fluorescent Fixtures	\$20,258	Universal Gym	\$5,000
		Ceiling Fixtures	\$13,505	Total Scheduled Replacements	\$273,000
		Exit Lights	\$12,662		
		Management Office Equipment	\$5,000		
		Total Scheduled Replacements	\$412,056		
2016		2017		2018	
Generator	\$201,766	Entrance Canopy (lighted)	\$36,000	Bridge HVAC units	\$27,000
Total Scheduled Replacements	\$201,766	Total Scheduled Replacements	\$36,000	Total Scheduled Replacements	\$27,000
2019		2020		2021	
Elevators, Traction, 3,000 lb cap:	\$390,000	Window Repairs	\$200,000	No Scheduled Replacements	
Fire Alarm Panels and Annuncia	\$127,158	Tuck Point and Mortar Repair at	\$131,925		
Stair Pressurization Fans	\$9,000	Caulk Exterior Penetrations	\$60,000		
Management Office Equipment	\$5,000	Bridge Structure Sealant and Ca	\$50,000		
Total Scheduled Replacements	\$531,158	Entrance Doors w/Operators	\$12,480		
		Bird Wires	\$8,500		
		Total Scheduled Replacements	\$462,905		

REPLACEMENT RESERVE INVENTORY**AltaVista at Ballston Metro Center****April 24, 2006****SCHEDULE OF REPLACEMENTS - YEARS SIXTEEN TO THIRTY**

2022		2023		2024	
Hallway Renovations, Paint	\$157,290	Terrace French Doors (2004)	\$12,000	Fire Pump Controller	\$39,000
Carpet, Corridors	\$151,800			Reception/Security Desk	\$25,000
Extruded Louvers	\$46,944			Management Office Equipment	\$5,000
Popcorn Ceiling Paint	\$24,470				
Treadmills & Elliptical Machines	\$15,000				
ACT Ceiling - 8th and 26th Floor	\$10,381				
Party Room Bathroom - Renovat	\$9,000				
Office and Corridor Bathroom-Re	\$9,000				
Total Scheduled Replacements	\$423,885	Total Scheduled Replacements	\$12,000	Total Scheduled Replacements	\$69,000
2025		2026		2027	
Window Repairs	\$200,000	Electric Service to Common Area	\$100,000	Domestic Water Piping at 40%	\$39,888
Loading dock door (to be installed)	\$12,500			Sanitary Waste Piping at 40%	\$22,160
Rooftop Guardrail	\$9,840				
Stair / Cycle / Health Rider	\$5,000				
Total Scheduled Replacements	\$227,340	Total Scheduled Replacements	\$100,000	Total Scheduled Replacements	\$62,048
2028		2029		2030	
Terrace Sliding Doors	\$25,000	Trash Chute w/ Doors	\$42,300	Corridor HVAC, Gas-Fired Split System	\$204,000
Access Control System	\$23,220	Lobby Heat Pump, 15 tons, Commercial	\$14,000	Window Repairs	\$200,000
Terrace French Doors (original)	\$18,000	Management Office Equipment	\$5,000	IRMA Roof (share 50/50 with HOA)	\$182,500
Trash Compactor	\$16,106			Hallway Renovations, Paint	\$157,290
Party Room Heat Pump, 2.5 tons	\$15,000			Carpet, Corridors	\$151,800
Terrace Glass Walls	\$11,250			Tuck Point and Mortar Repair at	\$131,925
Health Suite Heat Pump, 2 tons	\$9,000			Rooftop Exhaust Fans	\$116,000
Laundry Room Heat Pump, 2 tons	\$9,000			Tenant Entry Doors	\$99,986
Other Replacements	\$3,500			Other Replacements	\$423,167
Total Scheduled Replacements	\$130,076	Total Scheduled Replacements	\$61,300	Total Scheduled Replacements	\$1,666,668
2031		2032		2033	
No Scheduled Replacements		Party Room Furnishings	\$29,500	No Scheduled Replacements	
		Treadmills & Elliptical Machines	\$15,000		
		Wet Pipe Sprinkler System at 40	\$11,200		
		Management Office Furnishings	\$6,000		
		Total Scheduled Replacements	\$61,700		
2034		2035		2036	
Elevator Cab Finishes	\$22,500	Window Repairs	\$200,000	Domestic Water Piping at 40%	\$39,888
Lobby Floor, Marble	\$10,493	Bridge Structure Sealant and Caulk	\$50,000	Sanitary Waste Piping at 40%	\$22,160
Management Office Equipment	\$5,000	Elevator Room AC Unit	\$29,500		
		Universal Gym	\$5,000		
Total Scheduled Replacements	\$37,993	Total Scheduled Replacements	\$284,500	Total Scheduled Replacements	\$62,048

REPLACEMENT RESERVE ALLOCATION

AltaVista at Ballston Metro Center

April 24, 2006

CASH FLOW METHOD - THREE YEAR ALLOCATION OF REPLACEMENT RESERVES

Item #	Component	Estimated Replacement Cost	Allocation of Reserves on Deposit	2007			2008			2009		
				Deposits	Expenses	Year End Balance	Deposits	Expenses	Year End Balance	Deposits	Expenses	Year End Balance
INTERVAL COMPONENTS												
1	Tuck Point and Mortar Repair at	659,625	112,245	19,680		131,925			131,925			131,925
2	Wet Pipe Sprinkler System at 40%	56,000										
3	Domestic Water Piping at 40%	199,440										
4	Sanitary Waste Piping at 40%	110,800										
NORMAL COMPONENTS												
SITE FACILITIES / IMPROVE!												
5	Entrance Canopy (lighted)	36,000										
6	Break Metal at Portico piers	18,000										
7	Balconies (Waterproofing)	9,450	8,040	1,410		9,450		9,450			9,450	
8	Pavers at Balconies	6,300	5,360	940		6,300		6,300			6,300	
9	Bird Wires	8,500										
10	Terrace Sliding Doors	25,000	25,000			25,000		25,000			(25,000)	
11	Terrace French Doors (2004)	12,000										
12	Terrace French Doors (original)	18,000	18,000			18,000		18,000			(18,000)	
13	Terrace Glass Walls	11,250										
14	Terrace Railings	3,500										
15	Caulk Exterior Penetrations	60,000	51,050	8,950		60,000		60,000				60,000
16	Window Repairs	200,000	170,165	29,835		200,000		200,000				200,000
17	Bridge Structure Sealant and Cau	50,000										
18	Extruded Louvers	46,944										
19	Rigging for Roof and Mech Sys	75,000	63,812	11,188		75,000		75,000				75,000
20	IRMA Roof (share 50/50 with H	182,500	155,276	27,224		182,500		182,500				182,500
21	Rooftop Exhaust Fans	116,000	98,696	17,304		116,000		116,000				116,000
22	Metal Wind Screen at Rooftop	71,172										
23	Rooftop Guardrail	9,840										
BUILDING INTERIORS												
24	Garage Level Lobbies - Wallcov	7,920	6,739	1,181		7,920		7,920				7,920
25	Garage Level Lobbies - Ceilings	5,460	4,646	814		5,460		5,460				5,460
26	Trash Compactor	16,106	16,106			16,106		16,106			(16,106)	
27	Trash Chute w/ Doors	42,300										
28	Carpet, Corridors	151,800					65,669	65,669	79,416			145,086
29	Popcorn Ceiling Paint	24,470					10,586	10,586	12,802			23,387
30	Popcorn Ceiling Repairs	33,368										
31	ACT Ceiling - 8th and 26th Floor	10,381										
32	Hallway Renovations, Paint	157,290					68,044	68,044	82,288			150,333
33	Common Interior Doors	27,072					11,711	11,711	14,163			25,875
34	Tenant Entry Doors	99,986										
35	Ceiling Fixtures	13,505					5,842	5,842	7,065			12,908
36	Fluorescent Fixtures	20,258					8,764	8,764	10,598			19,362
37	Exit Lights	12,662					5,477	5,477	6,624			12,102
38	Treadmills & Elliptical Machines	15,000		8,003		8,003	6,997	15,000				15,000
39	Stair / Cycle / Health Rider	5,000	4,254	746		5,000		5,000				5,000
40	Universal Gym	5,000										
BUILDING INTERIORS - cont'												
41	Access Control System	23,220	19,756	3,464		23,220		23,220				23,220
42	Lobby Floor, Marble	10,493										
43	Entrance Doors w/Operators	12,480										
44	Reception/Security Desk	25,000										
45	Loading dock door (to be installe	12,500										
46	Party Room Furnishings	29,500		15,740		15,740	13,760	29,500				29,500
47	Party Room Bathroom - Renovat	9,000										
48	Management Office Furnishings	6,000		3,201		3,201	2,799	6,000				6,000
49	Management Office Equipment	5,000	5,000			5,000	2,163	7,163	2,616		(5,000)	4,779
50	Office and Corridor Bathroom-R	9,000										
BUILDING MECHANICAL SY												

REPLACEMENT RESERVE ALLOCATION

AltaVista at Ballston Metro Center

April 24, 2006

CASH FLOW METHOD - THREE YEAR ALLOCATION OF REPLACEMENT RESERVES

Item #	Component	Estimated Replacement Cost	Allocation of Reserves on Deposit	2007			2008			2009		
				Deposits	Expenses	Year End Balance	Deposits	Expenses	Year End Balance	Deposits	Expenses	Year End Balance
51	Corridor HVAC, Gas-Fired Split	204,000	173,568	30,432		204,000						204,000
52	Stand Alone Heat Pumps	10,000	8,508	1,492		10,000						10,000
53	Party Room Heat Pump, 2.5 tons	15,000	15,000			15,000					(15,000)	
54	Health Suite Heat Pump, 2 tons	9,000	9,000			9,000					(9,000)	
55	Laundry Room Heat Pump, 2 ton	9,000	9,000			9,000					(9,000)	
56	Bridge HVAC units	27,000										
57	Lobby Heat Pump, 15 tons, AHU	18,000										
58	Lobby Heat Pump, 15 tons, Com	14,000										
59	Elevator Room AC Unit	29,500		15,740		15,740	13,760					29,500
60	Domestic Water Booster Pumps	25,500	21,696	3,804		25,500						25,500
61	Domestic Boilers, Gas-Fired	36,000										
62	Domestic Hot Water Tank, 2,500	20,500	17,442	3,058		20,500						20,500
63	Domestic Hot Water Tank, 1,500	16,500	14,039	2,461		16,500						16,500
64	Elevators, Traction, 3,000 lb cap	390,000										
65	Elevator Cab Finishes	22,500										
66	Stair Pressurization Fans	9,000										
BUILDING ELECTRICAL SYS												
67	Transformers (45 Kva)	45,500	38,713	6,787		45,500						45,500
68	UPS (for common property)	5,000	4,254	746		5,000						5,000
69	Electric Service to Common Area	100,000										
70	Generator	201,766										
71	Generator Piping and Electrical	320,000										
72	Fire Alarm Panels and Annunciator	127,158										
73	Overhaul Fire Pump	9,200	7,828	1,372		9,200						9,200
74	Fire Pump, 125 hp	15,000										
75	Fire Pump Controller	39,000										

REPLACEMENT RESERVE ALLOCATION

AltaVista at Ballston Metro Center

April 24, 2006

COMPONENT METHOD - THREE YEAR ALLOCATION OF REPLACEMENT RESERVES

Item #	Component	Estimated Replacement Cost	Allocation of Reserves on Deposit	2007			2008			2009		
				Deposits	Expenses	Year End Balance	Deposits	Expenses	Year End Balance	Deposits	Expenses	Year End Balance
INTERVAL COMPONENTS												
1	Tuck Point and Mortar Repair at	659,625	179,728	32,989		212,717	32,989		245,706	32,989		278,695
2	Wet Pipe Sprinkler System at 40%	56,000	4,930	1,191		6,120	1,191		7,311	1,191		8,502
3	Domestic Water Piping at 40%	199,440	20,901	4,948		25,849	4,948		30,797	4,948		35,745
4	Sanitary Waste Piping at 40%	110,800	11,611	2,749		14,360	2,749		17,109	2,749		19,858
NORMAL COMPONENTS												
SITE FACILITIES / IMPROVE!												
5	Entrance Canopy (lighted)	36,000	11,178	2,257		13,435	2,257		15,691	2,257		17,948
6	Break Metal at Portico piers	18,000	3,773	593		4,365	593		4,958	593		5,551
7	Balconies (Waterproofing)	9,450	3,961	1,372		5,333	1,372		6,706	1,372		8,078
8	Pavers at Balconies	6,300	2,641	915		3,556	915		4,470	915		5,385
9	Bird Wires	8,500	1,336	512		1,848	512		2,360	512		2,871
10	Terrace Sliding Doors	25,000	11,031	4,656		15,687	4,656		20,344	4,656	(25,000)	
11	Terrace French Doors (2004)	12,000	662	667		1,329	667		1,996	667		2,663
12	Terrace French Doors (original)	18,000	7,942	3,353		11,295	3,353		14,647	3,353	(18,000)	
13	Terrace Glass Walls	11,250	2,482	399		2,881	399		3,279	399		3,678
14	Terrace Railings	3,500	772	124		896	124		1,020	124		1,144
15	Caulk Exterior Penetrations	60,000	18,863	10,284		29,147	10,284		39,432	10,284		49,716
16	Window Repairs	200,000	20,959	44,760		65,719	44,760		110,480	44,760		155,240
17	Bridge Structure Sealant and Cau	50,000	1,747	3,447		5,193	3,447		8,640	3,447		12,087
18	Extruded Louvers	46,944	12,299	2,165		14,464	2,165		16,630	2,165		18,795
19	Rigging for Roof and Mech Sys	75,000	31,439	10,890		42,329	10,890		53,219	10,890		64,110
20	IRMA Roof (share 50/50 with H	182,500	76,501	26,500		103,001	26,500		129,501	26,500		156,000
21	Rooftop Exhaust Fans	116,000	48,625	16,844		65,469	16,844		82,313	16,844		99,156
22	Metal Wind Screen at Rooftop	71,172	11,934	1,742		13,676	1,742		15,418	1,742		17,161
23	Rooftop Guardrail	9,840	2,357	394		2,751	394		3,145	394		3,539
BUILDING INTERIORS												
24	Garage Level Lobbies - Wallcov	7,920	3,320	1,150		4,470	1,150		5,620	1,150		6,770
25	Garage Level Lobbies - Ceilings	5,460	2,289	793		3,082	793		3,874	793		4,667
26	Trash Compactor	16,106	7,107	3,000		10,106	3,000		13,106	3,000	(16,106)	
27	Trash Chute w/ Doors	42,300	8,749	1,459		10,208	1,459		11,667	1,459		13,125
28	Carpet, Corridors	151,800		18,975		18,975	18,975		37,950	18,975		56,925
29	Popcorn Ceiling Paint	24,470		3,059		3,059	3,059		6,117	3,059		9,176
30	Popcorn Ceiling Repairs	33,368		1,390		1,390	1,390		2,781	1,390		4,171
31	ACT Ceiling - 8th and 26th Floor	10,381	1,813	535		2,349	535		2,884	535		3,420
32	Hallway Renovations, Paint	157,290		19,661		19,661	19,661		39,323	19,661		58,984
33	Common Interior Doors	27,072	9,457	2,202		11,659	2,202		13,861	2,202		16,063
34	Tenant Entry Doors	99,986	20,956	3,293		24,249	3,293		27,542	3,293		30,835
35	Ceiling Fixtures	13,505	4,718	1,098		5,816	1,098		6,915	1,098		8,013
36	Fluorescent Fixtures	20,258	7,076	1,648		8,724	1,648		10,372	1,648		12,019
37	Exit Lights	12,662	4,423	1,030		5,453	1,030		6,483	1,030		7,512
38	Treadmills & Elliptical Machines	15,000	3,144	1,976		5,120	1,976		7,096	1,976		9,072
39	Stair / Cycle / Health Rider	5,000	1,921	770		2,691	770		3,461	770		4,230
40	Universal Gym	5,000	1,441	395		1,836	395		2,232	395		2,627
BUILDING INTERIORS - cont'												
41	Access Control System	23,220	9,463	3,439		12,902	3,439		16,342	3,439		19,781
42	Lobby Floor, Marble	10,493	687	350		1,037	350		1,388	350		1,738
43	Entrance Doors w/Operators	12,480	1,453	788		2,241	788		3,028	788		3,816
44	Reception/Security Desk	25,000	2,382	1,257		3,638	1,257		4,895	1,257		6,151
45	Loading dock door (to be installe	12,500		658		658	658		1,316	658		1,974
46	Party Room Furnishings	29,500	10,820	3,113		13,934	3,113		17,047	3,113		20,160
47	Party Room Bathroom - Renovat	9,000	2,358	415		2,773	415		3,188	415		3,603
48	Management Office Furnishings	6,000	2,201	633		2,834	633		3,467	633		4,100
49	Management Office Equipment	5,000	1,048	1,317		2,365	1,317		3,683	1,317	(5,000)	
50	Office and Corridor Bathroom-R	9,000	2,358	415		2,773	415		3,188	415		3,603
BUILDING MECHANICAL SY												

REPLACEMENT RESERVE ALLOCATION

AltaVista at Ballston Metro Center

April 24, 2006

COMPONENT METHOD - THREE YEAR ALLOCATION OF REPLACEMENT RESERVES

Item #	Component	Estimated Replacement Cost	Allocation of Reserves on Deposit	2007			2008			2009		
				Deposits	Expenses	Year End Balance	Deposits	Expenses	Year End Balance	Deposits	Expenses	Year End Balance
51	Corridor HVAC, Gas-Fired Split	204,000	85,514	29,622		115,135	29,622		144,757	29,622		174,378
52	Stand Alone Heat Pumps	10,000	4,192	1,452		5,644	1,452		7,096	1,452		8,548
53	Party Room Heat Pump, 2.5 tons	15,000	6,619	2,794		9,412	2,794		12,206	2,794	(15,000)	
54	Health Suite Heat Pump, 2 tons	9,000	3,971	1,676		5,647	1,676		7,324	1,676	(9,000)	
55	Laundry Room Heat Pump, 2 ton	9,000	3,971	1,676		5,647	1,676		7,324	1,676	(9,000)	
56	Bridge HVAC units	27,000	5,212	1,816		7,028	1,816		8,844	1,816		10,659
57	Lobby Heat Pump, 15 tons, AHU	18,000	6,400	1,289		7,689	1,289		8,978	1,289		10,267
58	Lobby Heat Pump, 15 tons, Com	14,000	2,620	1,264		3,884	1,264		5,149	1,264		6,413
59	Elevator Room AC Unit	29,500	11,425	3,012		14,438	3,012		17,450	3,012		20,463
60	Domestic Water Booster Pumps	25,500	10,689	3,703		14,392	3,703		18,095	3,703		21,797
61	Domestic Boilers, Gas-Fired	36,000	7,545	3,162		10,707	3,162		13,869	3,162		17,030
62	Domestic Hot Water Tank, 2,500	20,500	8,593	2,977		11,570	2,977		14,547	2,977		17,523
63	Domestic Hot Water Tank, 1,500	16,500	6,917	2,396		9,312	2,396		11,708	2,396		14,104
64	Elevators, Traction, 3,000 lb cap	390,000	112,746	21,327		134,073	21,327		155,401	21,327		176,728
65	Elevator Cab Finishes	22,500	407	789		1,196	789		1,985	789		2,774
66	Stair Pressurization Fans	9,000	2,602	492		3,094	492		3,586	492		4,078
BUILDING ELECTRICAL SYS												
67	Transformers (45 Kva)	45,500	19,073	6,607		25,680	6,607		32,286	6,607		38,893
68	UPS (for common property)	5,000	2,096	726		2,822	726		3,548	726		4,274
69	Electric Service to Common Area	100,000	23,288	3,836		27,124	3,836		30,959	3,836		34,795
70	Generator	201,766	65,059	13,671		78,730	13,671		92,401	13,671		106,071
71	Generator Piping and Electrical	320,000	51,592	7,456		59,048	7,456		66,504	7,456		73,959
72	Fire Alarm Panels and Annunciator	127,158	36,760	6,954		43,714	6,954		50,668	6,954		57,621
73	Overhaul Fire Pump	9,200	3,856	1,336		5,192	1,336		6,528	1,336		7,864
74	Fire Pump, 125 hp	15,000	3,144	494		3,638	494		4,132	494		4,626
75	Fire Pump Controller	39,000	2,044	2,053		4,097	2,053		6,150	2,053		8,203



Photo 1. Entrance w/canopy



Photo 2. Reception/Security Desk



Photo 3. Portico



Photo 4. Walkway and Bollards



Photo 5. Portico Metal



Photo 6. Walkway



Photo 7. Generator



Photo 8. Fuel Fill Caps



Photo 9. Fuel Pups



Photo 10. Fuel Tank



Photo 11. Gear



Photo 12. Switches



Photo 13.



Photo 14. Transformer



Photo 15. Elevator Doors



Photo 16. Elevator Motor and hoist



Photo 17. Elevator Exhaust Fans



Photo 18. Elevator Hoist



Photo 19. Hot Water Storage



Photo 20. Boiler



Photo 21. Boiler up close



Photo 22. Piping



Photo 23. Booster pumps



Photo 24. Booster Regulator



Photo 25. Party Room



Photo 26. Dining Table



Photo 27. Buffet Table



Photo 28. Card Table and Chairs



Photo 29. Trash Chute



Photo 30. Trash Compactor



Photo 31. Hydraulic Pump



Photo 32. Chute at Compactor



Photo 33. Exercise Room

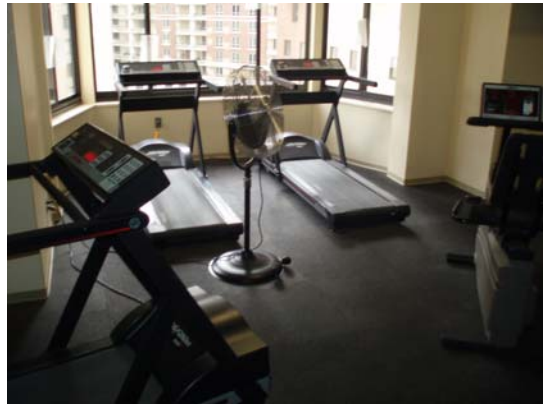


Photo 34. Treadmills



Photo 35. Security



Photo 36. Security



Photo 37. Fire Alarm System



Photo 38. Fire Alarm System



Photo 39. Smoke Detector



Photo 40. Speaker



Photo 41. Tenant Door



Photo 42. Corridor



Photo 43. Fluorescent Fixture



Photo 44. Ceiling Fixture



Photo 45. Exit Sign



Photo 46. Laundry Room



Photo 47. Balcony and Railing

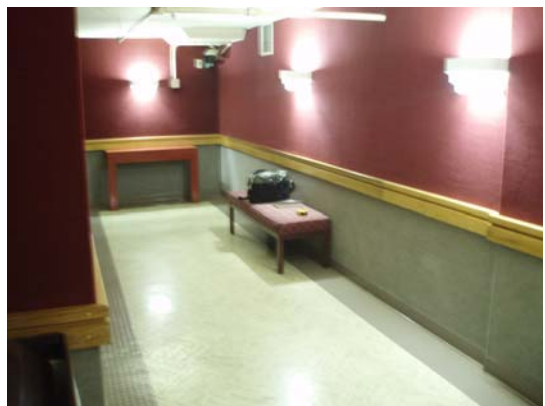


Photo 48. Garage Lobby



Photo 49. Bay Windows and Windows



Photo 50. Rooftop