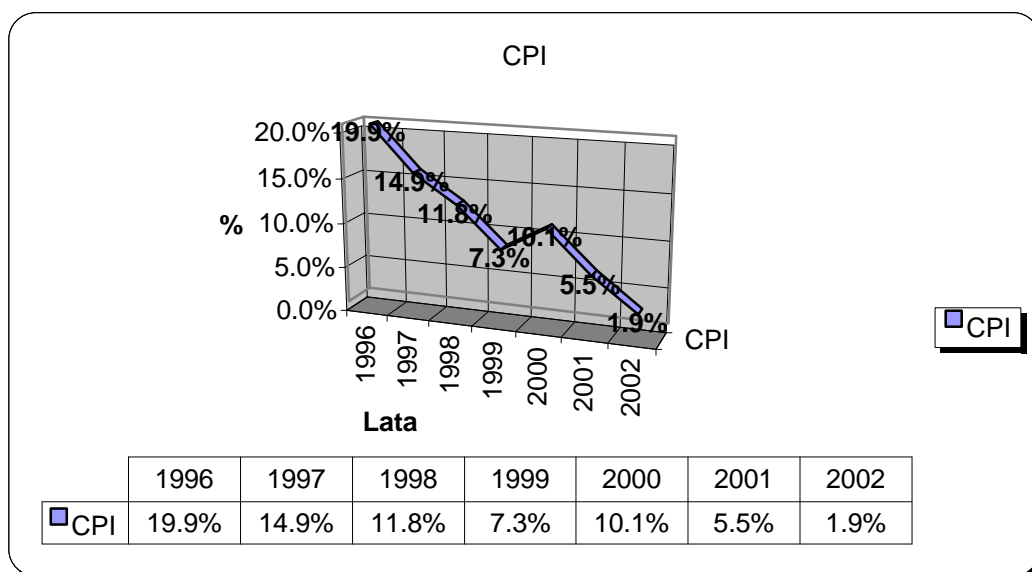


Consumer Price Index Table

(previous year = 100)

Source of data: Major Statistic Office (www.stat.gov.pl)

Year	CPI
1996	19.9%
1997	14.9%
1998	11.8%
1999	7.3%
2000	10.1%
2001	5.5%
2002	1.9%



OPERATIONAL & CAPITAL BUDGET - COMPARISON OF 1999 AND 2002 VALUES
Chopina 42, Sopot

Usable space of the building (m²):

836.62

No	Item	1999		2002	
		Nominal	Real	Nominal	Real Change
A. OPERATIONAL BUDGET					
1.	Condo Inflows, incl.:	15,100.00 zł	17,872.73 zł	18,318.77 zł	2.5%
1.1	Assessment fees, incl.:	8,600.00 zł	10,179.17 zł	10,709.08 zł	5.2%
1.2	Utilities, incl.:	6,500.00 zł	7,693.56 zł	7,609.21 zł	-1.1%
1.2.1	Water and Sewage			6,583.21 zł	
1.2.2	Garbage			1,026.00 zł	
1.2.3	Central heating and hot water			0.00 zł	
1.3	Other inflows			0.48 zł	
2.	Common property management costs incl.:	8,700.00 zł	10,297.53 zł	10,858.03 zł	5.4%
2.1	Management fee			4,767.24 zł	
2.2	Electricity in common property			210.08 zł	
2.3	Chimney maintenance			155.15 zł	
2.4	Renovation and maintenance			2,003.10 zł	
2.5	Technical surveys of the building			1,578.33 zł	
2.6	Cleaning (interior - halls and staircases)			598.17 zł	
2.7	Garbage (big size)			94.16 zł	
2.8	Property Insurance			689.00 zł	
2.9	Bank services			659.16 zł	
2.10	Other costs			47.00 zł	
2.11	Technical assistance (urgent)			97.64 zł	
3.	Costs related to the units, incl.:	6,350.00 zł	7,516.02 zł	7,402.80 zł	-1.5%
3.1	Cold water and Sewage			6,376.68 zł	
3.2	Garbage (bins)			1,026.12 zł	
4.	Difference between inflows and outflows (1-2-3)	50.00 zł	59.18 zł	57.94 zł	-2.1%
5.	Accounts receivable and obligations				
5.1	Receivables, incl.:	300.00 zł	355.09 zł	143.39 zł	-59.6%
5.1.1	Owners's obligations	300.00 zł	355.09 zł	143.39 zł	-59.6%
5.1.2	Other			0.00 zł	
5.2	Obligations, incl.:	0.00 zł	0.00 zł	1,688.26 zł	0.0%
5.2.1	Owners's overpayment	0.00 zł	0.00 zł	154.04 zł	0.0%
5.2.2	Other			1,534.22 zł	
6.	Cashflow Budget (operations)				
6.1	Opening Balance (Jan. 1, 2002)			1,141.50 zł	
6.2	2002 Inflows			19,271.74 zł	
6.3	Civil inflows in 2002			0.48 zł	
6.4	Costs not covered till Dec. 31, 2001			1,715.49 zł	
6.5	2002 Outflows			16,737.46 zł	
6.6	Closing Balance (Dec. 31, 2002)			1,960.77 zł	
B. CAPITAL BUDGET					
1.	Inflows, incl.:			13,046.55 zł	
1.1	Renovation assessments			12,979.24 zł	
1.2	Other inflows			68.31 zł	
2.	Outflows			384.93 zł	
3.	Balance (1-2)			12,661.62 zł	
3.1	Increasing next year inflows			12,661.62 zł	
3.2	Decreasing next year inflows			0.00 zł	
4.	Accounts receivable and obligations				
4.1	Receivables, incl.:			771.04 zł	
4.1.1	Owners's obligations			771.04 zł	
4.1.2	Other			0.00 zł	
4.2	Obligations, incl.:			1.07 zł	
4.2.1	Owners's overpayment			1.07 zł	
4.2.2	Other			0.00 zł	
5.	Cashflow Budget (capital)				
5.1	Opening Balance (Jan. 1, 2002)			8,806.01 zł	
5.2	2002 Inflows			14,505.97 zł	
5.3	Civil inflows in 2002			68.31 zł	
5.4	Costs not covered till Dec. 31, 2001			0.00 zł	
5.5	2002 Outflows			384.93 zł	
5.6	Closing Balance (Dec. 31, 2002)			22,995.36 zł	

Comparizon of 2002 operational budgets of Chopina & Czyzewskiego condos

Chopina usable space (m ²):	816.54
Czyzewskiego usable space (m ²):	863.62

Condo 1.

No	Item	Chop (annually)	Chopina (annual cost per 1 sqm)	Czyz (annually)	Czyz (annual cost per 1 sqm)	Chop/Czyz (unit costs comparizon)
A. OPERATIONAL BUDGET						
1.	Condo Inflows, incl.:	18,318.77 zł	21.21 zł	13,350.00 zł	16.35 zł	29.7%
1.1	Assessment fees, incl.:	10,709.08 zł	12.40 zł	4,450.00 zł	5.45 zł	127.5%
1.2	Utilities, incl.:	7,609.21 zł	8.81 zł	8,900.00 zł	10.90 zł	-19.2%
1.2.1	Water and Sewege	6,583.21 zł	7.62 zł	8,000.00 zł	9.80 zł	-22.2%
1.2.2	Garbage	1,026.00 zł	1.19 zł	900.00 zł	1.10 zł	7.8%
1.2.3	Central heating and hot water	0.00 zł	0.00 zł	0.00 zł	0.00 zł	0.0%
1.3	Other inflows	0.48 zł	0.00 zł	0.00 zł	0.00 zł	-
2.	Common property management costs incl.:	10,858.03 zł	12.57 zł	4,450.00 zł	5.45 zł	130.7%
2.1	Management fee	4,767.24 zł	5.52 zł	0.00 zł	0.00 zł	-
2.2	Electricity in commoon property	210.08 zł	0.24 zł	200.00 zł	0.24 zł	-0.7%
2.3	Chimney maintenance	155.15 zł	0.18 zł	150.00 zł	0.18 zł	-2.2%
2.4	Renovation and maintenance	2,003.10 zł	2.32 zł	0.00 zł	0.00 zł	-
2.5	Technical surveys of the building	1,578.33 zł	1.83 zł	0.00 zł	0.00 zł	-
2.6	Cleaning (interior - halls and staircases)	558.17 zł	0.65 zł	0.00 zł	0.00 zł	-
2.7	Garbage (big size)	94.16 zł	0.11 zł	0.00 zł	0.00 zł	-
2.8	Property Insurance	688.00 zł	0.80 zł	500.00 zł	0.61 zł	30.1%
2.9	Bank services	659.16 zł	0.76 zł	600.00 zł	0.73 zł	3.9%
2.10	Other costs	47.00 zł	0.05 zł	0.00 zł	0.00 zł	-
2.11	Technical assistance (urgent)	97.64 zł	0.11 zł	0.00 zł	0.00 zł	-
2.12	Adjacent ground maintenance	0.00 zł	0.00 zł	3,000.00 zł	3.67 zł	-
3.	Costs related to the units, incl.:	7,402.80 zł	8.57 zł	8,900.00 zł	10.90 zł	-21.4%
3.1	Cold water and Sewage	6,376.68 zł	7.38 zł	8,000.00 zł	9.80 zł	-24.6%
3.2	Garbage (bins)	1,026.12 zł	1.19 zł	900.00 zł	1.10 zł	7.8%
4.	Difference between inflows and outflows (1-2-3)	57.94 zł	0.07 zł	0.00 zł	0.00 zł	-
5.	Accounts receivable and obligations					
5.1	Receivables, incl.:	143.39 zł	0.17 zł	0.00 zł	0.00 zł	-
5.1.1	Owners's obligations	143.39 zł	0.17 zł	0.00 zł	0.00 zł	-
5.1.2	Other	0.00 zł	0.00 zł	0.00 zł	0.00 zł	-
5.2	Obligations, incl.:	1,688.26 zł	1.95 zł	0.00 zł	0.00 zł	-
5.2.1	Owners's overpayment	154.04 zł	0.18 zł	0.00 zł	0.00 zł	-
5.2.2	Other	1,534.22 zł	1.78 zł	0.00 zł	0.00 zł	-
6.	Cashflow Budget (operations)					
6.1	Opening Balance (Jan. 1, 2002)	1,141.50 zł	1.32 zł	0.00 zł	0.00 zł	-
6.2	2002 Inflows	19,271.74 zł	22.32 zł	13,350.00 zł	16.35 zł	36.5%
6.3	Civil inflows in 2002	0.48 zł	0.00 zł	0.00 zł	0.00 zł	-
6.4	Costs not covered till Dec. 31, 2001	1,715.49 zł	1.99 zł	0.00 zł	0.00 zł	-
6.5	2002 Outflows	16,737.46 zł	19.38 zł	13,350.00 zł	16.35 zł	18.5%
6.6	Closing Balance (Dec. 31, 2002)	1,960.77 zł	2.27 zł	0.00 zł	0.00 zł	-

Comparizon of 2002 operational budgets of Chopina & Czyzewskiego condos

Chopina usable space (m ²):	816.54
Czyzewskiego usable space (m ²):	863.62

Condo 1.

No	Item	Chop (annually)	Chopina (annual cost per 1 sqm)	Czyz (annually)	Czyz (annual cost per 1 sqm)	Chop/Czyz (unit costs comparizon)
B. CAPITAL BUDGET						
1.	Inflows, incl.:	41,214.28 zł	47.72 zł	20,576.81 zł	25.20 zł	89.4%
1.1	Renovation assessments	41,145.97 zł	47.64 zł	20,576.81 zł	25.20 zł	89.1%
1.1.1	Loan Repayment	26,640.00 zł	30.85 zł	20,576.81 zł	25.20 zł	22.4%
1.1.2	Capital Reserve Fund	14,505.97 zł	16.80 zł	0.00 zł	0.00 zł	-
1.2	Other inflows	68.31 zł	0.08 zł	0.00 zł	0.00 zł	-
2.	Outflows	27,024.93 zł	31.29 zł	20,576.81 zł	25.20 zł	24.2%
2.1	Loan Repayment	26,640.00 zł	30.85 zł	20,576.81 zł	25.20 zł	22.4%
2.2	Other Improvements completed	384.93 zł	0.45 zł	0.00 zł	0.00 zł	-
3.	Balance (1-2)	14,189.35 zł	16.43 zł	0.00 zł	0.00 zł	-
3.1	Increasing next year inflows	14,189.35 zł	16.43 zł	0.00 zł	0.00 zł	-
3.2	Decreasing next year inflows	0.00 zł	0.00 zł	0.00 zł	0.00 zł	-
4.	Accounts receivable and obligations					
4.1	Receivables, incl.:	771.04 zł	0.89 zł	0.00 zł	0.00 zł	-
4.1.1	Owners's obligations	771.04 zł	0.89 zł	0.00 zł	0.00 zł	-
4.1.2	Other	0.00 zł	0.00 zł	0.00 zł	0.00 zł	-
4.2	Obligations, incl.:	1.07 zł	0.00 zł	0.00 zł	0.00 zł	-
4.2.1	Owners's overpayment	1.07 zł	0.00 zł	0.00 zł	0.00 zł	-
4.2.2	Other	0.00 zł	0.00 zł	0.00 zł	0.00 zł	-
5.	Cashflow Budget (capital)					
5.1	Opening Balance (Jan. 1, 2002)	8,806.01 zł	10.20 zł	0.00 zł	0.00 zł	-
5.2	2002 Inflows	41,145.97 zł	47.64 zł	20,576.81 zł	25.20 zł	89.1%
5.2.1	Loan Repayment	26,640.00 zł	30.85 zł	20,576.81 zł	25.20 zł	22.4%
5.2.2	Capital Reserve Fund	14,505.97 zł	16.80 zł	0.00 zł	0.00 zł	-
5.3	Civil inflows in 2002	68.31 zł	0.08 zł	0.00 zł	0.00 zł	-
5.4	Costs not covered till Dec. 31, 2001	0.00 zł	0.00 zł	0.00 zł	0.00 zł	-
5.5	2002 Outflows	27,024.93 zł	31.29 zł	20,576.81 zł	25.20 zł	24.2%
5.5.1	Loan Repayment	26,640.00 zł	30.85 zł	20,576.81 zł	25.20 zł	22.4%
5.5.2	Other Improvements completed	384.93 zł	0.45 zł	0.00 zł	0.00 zł	-
5.6	Closing Balance (Dec. 31, 2002)	22,995.36 zł	26.63 zł	0.00 zł	0.00 zł	-

**ATTACHMENT 5.2: CHF International-Adjusted NCB Ratios as applied to CDP Evaluation
Condo 1 Located in Sopot, Poland for 2002**

No	Ratio name and description	Target	Condo 1	Is the requirement met?	Comments
Balance Sheet Analysis					
1. Cash/liquidity :					
1.1	(Cash + Reserves) / Annual Gross Income (should be > 5%)	> 5%	$= (1,980.77 + 22,995.36) / (18,318.77 + 41,214.28) = 24,976.13 / 59,533.05 = 41.95\%$	Yes	The ratio is high as condo collects funds for the future capital improvements.
2. Delinquency					
2.1	Delinquent Amount Per Year / Annual Gross Income (should be < 5%)	< 5%	$= (143.39 + 771.04) / 31,365.32 = 2.92\%$	Yes	
2.2	Number of Delinquent Unit Owners / Total Number of Unit Owners (should be < 10%)	< 10%	$= 1/8 = 12.50\%$	No	One owner was delinquent as of the end of the year. However, the risk is low because other tenants help with the payment whenever one of them has difficulties.
Income Statement Analysis					
3. Debt					
3.1	Debt Service Coverage Ratio = (Net Operating Income + Capital Contribution) / Debt Service (should be 1:1)	1:1	N.A.	Yes	Because the loan is given to condo owners rather than the condo association as a whole, the ratio cannot be calculated. However, the condo owners have not been late in repaying their individual portions, while continuing to pay their condo assessments.
4.	Capital (Replacement) Reserve		N.A.	No	Capital reserve fund is not based on an engineering survey of the property because of high cost of such survey.
5. Assessment after Debt Payments					
5.1	Increase of assessments over the life of the loan < 45-50% (typically 20-40%)	< 40 - 50%	The operational assessment fee equaled 18,318.77 PLN in 2002, renovation fund assessment (not related to loan repayment) = 14,505.97 PLN, so the total ownership assessment without loan repayment equaled in 2002 32,824.74 PLN. Loan repayment equaled 26,640 PLN. The sum equals 59,464.74 PLN which gives 25,35% increase.	Yes	
Other ratios					
6.	Life of the loan (max. Of 15 years)	< 15 years	2.5 year	Yes	
7.	Owner Occupancy Requirement (>50% of building to promote ownership responsibility in building maintenance)	> 50%	425.10 m ² of usable space is occupied by owners (total usable space of a building equals 863.62 m ²) that gives 49.22%.	No	This criterion is applied only in cases where the unit is rented by individual owner. In the case of Sopot, the municipality is the majority owner. Historically, the municipality has proven to be a good tenant and generally is considered to be less risky because of its financial resources compared to individual condo owners. As a result, the 50% ownership by Gmina increases the credit worthiness of the condo association.
8. Loan to value					
8.1	Loan / Accessed Value of Condominium Units (<15%, NCB average is 5-7%)		Loan value = 64,400 PLN. Average market price of 1 m ² of usable space equaled in 2001 (when the loan was made) 2,500 PLN. The value of the property equaled so 2,159,050 PLN. LTV = 2.98%.	Yes	

**ATTACHMENT 5.2: CHF International-Adjusted NCB Ratios as applied to CDP Evaluation
Condo 2 Located in Sopot, Poland for 2002**

No	Ratio name and description	Target	Condo 2	Is the requirement met?	Comments
Balance Sheet Analysis					
Values and Calculations					
Is the requirement met?					
Comments					
1.	Cash/liquidity :				
1.1	(Cash + Reserves) / Annual Gross Income (should be > 5%)	> 5%	0%	No	It is impossible to calculate this ratio as the condo assessment is built to cover the management costs only. No cash is available to use by condo at the end of a year. Also condo is not building improvement reserves till the current loan is being repaid.
2.	Delinquency				
2.1	Delinquent Amount Per Year / Annual Gross Income (should be < 5%)	< 5%	0%	Yes	
2.2	Number of Delinquent Unit Owners / Total Number of Unit Owners (should be <10%)	< 10%	0%	Yes	
Income Statement Analysis					
3.	Debt				
3.1	Debt Service Coverage Ratio = (Net Operating Income + Capital Contribution) / Debt Service (should be 1:1)	1:1	N.A.	Yes	Because the loan is given to condo owners rather than the condo association as a whole, the ratio cannot be calculated. However, the condo owners have not been late in repaying their individual portions, while continuing to pay their condo assessments.
4.	Capital (Replacement) Reserve		N.A.	No	Capital reserve fund is not based on an engineering survey of the property because of the high cost of such survey.
5.	Assessment after Debt Payments				
5.1	Increase of assessments over the life of the loan <45-50% (typically 20-40%)	< 40 - 50%	The operational assessment fee equaled 13,350 PLN in 2002. Loan repayment equaled 20,576.81 PLN. The sum equals 33,926.81 PLN which gives roughly 155% increase.	No	Although formally not met, the increase in assessments has been factored in when the bank has made the loan and the condo association members have been deemed to be a good credit risk. In addition, this is the second loan of the condo and the owners have experience in budgeting and managing their cash flows.
Other ratios					
6.	Life of the loan (max. Of 15 years)	< 15 years		Yes	
7.	Owner Occupancy Requirement (>50% of building to promote ownership responsibility in building maintenance)	> 50%	100%	Yes	
8.	Loan to value				
8.1	Loan / Accessed Value of Condominium Units (<15%, NCB average is 5-7%)		Loan value = 100,000 PLN. Average market price of 1 m ² of usable space equaled in 2001 (when the loan was made) 3,200 PLN. The value of the property equaled so 2,612,928 PLN. LTV = 3.83%.	Yes	