

RESERVE EXPENDITURES

for
Fairlington Mews
Condominium Association
 Arlington, Virginia

Line Item	Reserve Component Inventory	21 2027	22 2028	23 2029	24 2030	25 2031	26 2032	27 2033	28 2034	29 2035	30 2036
<u>Exterior Building Elements</u>											
1	Doors, Common Entrances										
2	Gutters and Downspouts, Phased Replacements, Remaining										
3	Roofs, Slate, Phased Replacements, Remaining										
4	Shutters, Vinyl				133,239						
5	Walls, Inspection & Partial Masonry Tuck Pointing, Phased				138,093	141,270	144,519	147,843			
6	Walls, Paint Finishes, Phase I (Includes Partial Sealant Replacements)		56,072				61,411				67,259
7	Walls, Paint Finishes, Phase II (Includes Partial Sealant Replacements)			48,926				53,585			
8	Walls, Paint Finishes, Phase III (Includes Partial Sealant Replacements)				48,325				52,927		
<u>Interior Building Elements</u>											
9	Floor Coverings, Carpet							110,588			
10	Paint Finishes							41,463			
<u>Property Site Elements</u>											
11	Asphalt Pavement System, Crack Repair, Patch & Seal Coat	25,681					28,773				
12	Asphalt Pavement System, Repaving, Mill and Overlay, Phased								159,725	163,399	
13	Asphalt Pavement System, Repaving, Total Replacement, Phased										
14	Concrete Sidewalks, Partial Replacements		48,223			51,628			55,273		
15	Fence, Metal, Chain Link										
16	Fences, Wood, Phased Replacements										
17	Light Poles and Fixtures, Remaining, Phased										
18	Playground Equipment	33,854									
19	Porches, Brick, Capital Repairs, Phased	88,020	90,044	92,115	94,234	96,401					
20	Railings, Metal										
21	Sewers, Domestic, Relining, Remaining, Phased										
22	Signage									69,614	
23	Tennis Courts, Color Coat, Double Court			16,399					18,373		
24	Tennis Courts, Color Coat, Single Court			9,110					10,207		
25	Tennis Courts, Fences										
26	Tennis Courts, Surface Replacements										
<u>Pool Elements</u>											
27	Concrete Deck, Inspection, Coating Applications and Partial Replacements										85,953
28	Fence										
29	Mechanical Equipment, Phased Replacements					17,656					
30	Plaster Finish Replacement and Tile Repairs										55,825
Reserve Study Update with Site Visit											
Anticipated Expenditures, By Year		147,555	194,339	166,550	413,891	306,955	234,703	353,479	136,780	229,339	372,436

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Fairlington Mews
Condominium Association
Arlington, Virginia

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Reserves at Beginning of Year (Note 1)	\$899,101	965,176	1,027,955	1,038,598	1,068,213	1,050,820	1,137,521	1,036,464	1,010,383	1,159,827	1,022,488	848,052	650,393	471,130	551,407	700,675
Total Recommended Reserve Contributions (Note 2)	101,050	271,000	277,200	283,600	290,100	296,800	303,600	310,600	317,700	325,000	332,500	340,100	347,900	355,900	364,100	372,500
Plus Estimated Interest Earned, During Year (Note 3)	15,025	38,123	39,527	40,297	40,531	41,856	41,582	39,150	41,510	41,741	35,778	28,661	21,451	19,558	23,949	30,951
Less Anticipated Expenditures, By Year	(50,000)	(246,344)	(306,084)	(294,282)	(348,024)	(251,955)	(446,239)	(375,831)	(209,766)	(504,080)	(542,714)	(566,420)	(548,614)	(295,181)	(238,781)	(186,607)
Anticipated Reserves at Year End	\$965,176	1,027,955	1,038,598	1,068,213	1,050,820	1,137,521	1,036,464	1,010,383	1,159,827	1,022,488	848,052	650,393	471,130	551,407	700,675	917,519
Predicted Reserves based on 2006 funding level of: \$242,520	965,176	999,000	973,000	958,000	888,000	913,000	741,000	634,000	692,000	452,000	164,000	(160,000)	(478,000)	(550,000)	(568,000)	(533,000)

(NOTE 4)

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Reserves at Beginning of Year	917,519	988,698	1,049,763	1,039,279	1,141,169	1,296,980	1,356,987	1,375,309	1,426,448	1,231,292	1,141,522	1,125,990	992,838	1,079,598	1,079,659
Total Recommended Reserve Contributions	140,000	143,200	146,500	149,900	153,300	156,800	160,400	164,100	167,900	171,800	175,800	179,800	183,900	188,100	192,400
Plus Estimated Interest Earned, During Year	36,460	38,990	39,957	41,705	46,635	50,762	52,261	53,589	50,835	45,385	43,371	40,527	39,640	41,300	38,596
Less Anticipated Expenditures, By Year	(105,281)	(121,125)	(196,941)	(89,715)	(44,124)	(147,555)	(194,339)	(166,550)	(413,891)	(306,955)	(234,703)	(353,479)	(136,780)	(229,339)	(372,436)
Anticipated Reserves at Year End	988,698	1,049,763	1,039,279	1,141,169	1,296,980	1,356,987	1,375,309	1,426,448	1,231,292	1,141,522	1,125,990	992,838	1,079,598	1,079,659	938,219

(NOTE 5)

Explanatory Notes:

- 1) Year 2006 starting reserves are as of February 28; FY 2006 starts August 1, 2005 and ends July 31, 2006.
- 2) Reserve Contributions for 2006 are the remaining budgeted five months; 2007 is the first year of recommended contributions.
- 3) 3.9% is the actual average annual rate of return on invested reserves; 2006 is a partial year of interest earned.
- 4) Threshold Funding Year (reserve balance at a critical low point).
- 5) Accumulated year 2036 ending reserves consider the need to fund for replacement of the pool structure and deck shortly after 2036, and the age, size, overall condition and complexity of the property.