RESERVE ANALYSIS REPORT

Sugarloaf Condominium

South Deerfield, Massachusetts

Version 2

November 2, 2023

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Sugarloaf Condominium

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Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

♦ ♦ ♦ ♦ INTRODUCTION TO RESERVE BUDGETING ♦ ♦ ♦ ♦

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes a “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain association common areas and property values of individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

♦ ♦ ♦ ♦ UNDERSTANDING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

Budget
Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis is prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

Percent Funded
Measure of the reserve fund "health" (expressed as a percentage) as of the beginning of the fiscal year for which the reserve analysis is prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

Projections
Indicate "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. Projections define the timetables for repairs and replacements, such as when buildings will be painted or when asphalt will be seal coated. Projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

Inventory
Complete listing of reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

♦ ♦ ♦ ♦ RESERVE FUNDING GOALS / OBJECTIVES ♦ ♦ ♦ ♦

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

Full Funding
Describes goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. Component calculation method or directed cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding
Describes goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association's percent funded. Minimum cash flow calculation method or directed cash flow calculation method s typically used to develop a baseline funding plan.

Threshold Funding
Describes goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. Minimum cash flow calculation method or directed cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding
Describes goal/objective as described or required by local laws or codes. Component calculation method, minimum cash flow calculation method or directed cash flow calculation method may be used to develop a statutory funding plan, depending on the requirements.

♦ ♦ ♦ ♦ RESERVE FUNDING CALCULATION METHODS ♦ ♦ ♦ ♦

There are three funding methods which can be used to develop a reserve funding plan based on reserve funding goals/ objectives: Component Calculation Method, Minimum Cash Flow Calculation Method and Directed Cash Flow Calculation Method.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow calculation method funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user "directs" the funding plan as needed to achieve reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using the directed cash flow calculation method. Whereas component calculation method funding plans and minimum cash flow calculation method funding plans are typically used as reference information; usually considered the "floor" (minimum cash flow calculation method) and "ceiling" (component calculation method) of a reasonable reserve funding plan.

The three calculation methods are described as follows:

Component Calculation Method

Component calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the "straight line" method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the fully funded reserves in time, and then enables the association to maintain fully funded reserves through time. The following is a detailed description of component calculation method:

Step 1: Calculation of fully funded balance for each component

Fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

Step 2: Distribution of current reserve funds

Association's current reserve funds are assigned to (or distributed amongst) reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserve funds are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, components are organized in remaining life order, from least to greatest, and remaining current reserve funds are assigned to each component up to its current cost, until reserve funds are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost, until reserve funds are exhausted. After pass 3, if additional reserve funds remain, there are excess reserves.

Distributing, or assigning, reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, the contribution increase parameter should match the inflation parameter. Matching the contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using a contribution increase parameter that is greater than the inflation parameter will reduce the burden to current members at the expense of future members. Using a contribution increase parameter that is less than the inflation parameter will increase the burden to the current members to the benefit of future members. The following chart shows a comparison:

	0% Increase	3% Increase	10% Increase
Year 1	$10,000.00	$8,723.05	$6,274.54
Year 2	$10,000.00	$8,984.74	$6,901.99
Year 3	$10,000.00	$9,254.28	$7,592.19
Year 4	$10,000.00	$9,531.91	$8,351.41
Year 5	$10,000.00	$9,817.87	$9,186.55
Year 6	$10,000.00	$10,112.41	$10,105.21
Year 7	$10,000.00	$10,415.78	$11,115.73
Year 8	$10,000.00	$10,728.25	$12,227.30
Year 9	$10,000.00	$11,050.10	$13,450.03
Year 10	$10,000.00	$11,381.60	$14,795.04
TOTAL	$100,000.00	$100,000.00	$100,000.00

One major benefit of using component calculation method is that for any single component (or group of components), reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management Summary and Charts as well as elsewhere within the report.

Minimum Cash Flow Calculation Method

Minimum cash flow calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not concerned with the ideal level of reserves or percent funded through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding). This calculation method will determine the minimum reserve contribution to ensure that the beginning reserve balance is sufficient to pay for the scheduled expenditures in each year. By definition, this calculation method will create a funding plan where, at some point over the projection period, the beginning reserve fund balance will equal the expenditures for that year. Under some conditions, based on reserve expenditure profile, this calculation method produces a funding plan that will take the association into an overfunded status through time; in these cases, directed cash flow calculation method can be used to optimize results.

Minimum cash flow calculation method is not without downsides… Unlike component calculation method, the minimum cash flow calculation method cannot precisely calculate reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using minimum cash flow calculation method typical-

ly requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

Directed Cash Flow Calculation Method

Directed cash flow calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due and, if possible, determine the optimal funding plan to achieve 100% funding over the projection period.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user "directs" the funding plan as needed to achieve any reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using this calculation method.

Directed cash flow calculation method is not without downsides… Unlike component calculation method, the directed cash flow calculation method cannot precisely calculate reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using directed cash flow calculation method typically requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

♦ ♦ ♦ ♦ READING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information ("Component Detail"), of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

Executive Summary
Provides general information about project, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

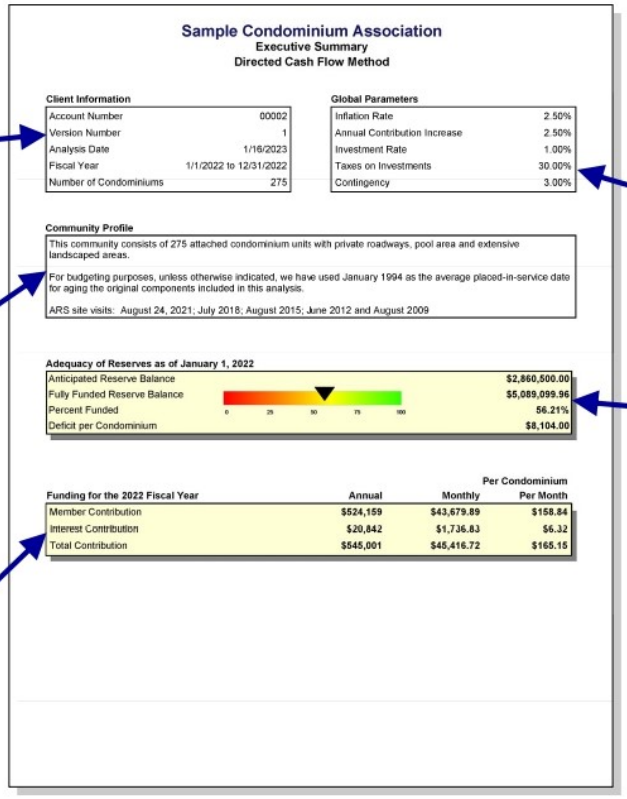
Client Information
Provides information including fiscal year for which reserve analysis is prepared, number of units, etc.

Global Parameters
Displays calculation parameters that were used to calculate reserve analysis including inflation, contribution increase, investment rate, tax rate and contingency.

Community Profile
Provides brief description of community as well as other "global" comments.

Budget
Provides recommended funding for fiscal year for which reserve analysis is prepared. Indicates reserve funding from membership, anticipated interest contribution and total contribution requirement.

Adequacy of Reserves
Displays results of calculations with regard to "health" of reserve fund as of beginning of fiscal year for which the reserve analysis is prepared. Provides anticipated reserve balance, fully funded reserve balance and percent funded.



Sample Condominium Association
Executive Summary
Directed Cash Flow Method

Client Information

Account Number	00002
Version Number	1
Analysis Date	1/16/2023
Fiscal Year	1/1/2022 to 12/31/2022
Number of Condominiums	275

Global Parameters

Inflation Rate	2.50%
Annual Contribution Increase	2.50%
Investment Rate	1.00%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile

This community consists of 275 attached condominium units with private roadways, pool area and extensive landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used January 1994 as the average placed-in-service date for aging the original components included in this analysis.

ARS site visits: August 24, 2021; July 2018; August 2015; June 2012 and August 2009

Adequacy of Reserves as of January 1, 2022

Anticipated Reserve Balance	$2,860,500.00
Fully Funded Reserve Balance	$5,089,099.96
Percent Funded	56.21%
Deficit per Condominium	$8,104.00

Funding for the 2022 Fiscal Year	Annual	Monthly	Per Condominium Per Month
Member Contribution	$524,159	$43,679.89	$158.84
Interest Contribution	$20,842	$1,736.83	$6.32
Total Contribution	$545,001	$45,416.72	$165.15

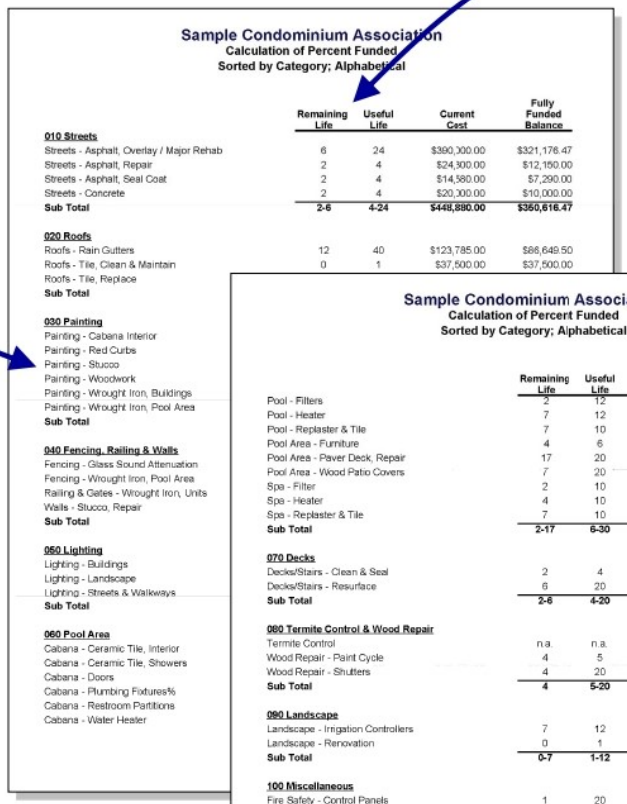
Preface

Calculation of Percent Funded

Summary displays all reserve components, shown here in "category" order. Provides remaining life, useful life, current cost and fully funded balance at beginning of fiscal year for which the reserve analysis is prepared.

Lifespans
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

Reserve Components
All components are displayed (shown here in "category" order).



Sample Condominium Association
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	6	24	$390,000.00	$321,176.47
Streets - Asphalt, Repair	2	4	$24,300.00	$12,150.00
Streets - Asphalt, Seal Coat	2	4	$14,580.00	$7,290.00
Streets - Concrete	2	4	$20,000.00	$10,000.00
Sub Total	**2-6**	**4-24**	**$448,880.00**	**$350,616.47**
020 Roofs				
Roofs - Rain Gutters	12	40	$123,785.00	$86,649.50
Roofs - Tile, Clean & Maintain	0	1	$37,500.00	$37,500.00
Roofs - Tile, Replace				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing, Railing & Walls				
Fencing - Glass Sound Attenuation				
Fencing - Wrought Iron, Pool Area				
Railing & Gates - Wrought Iron, Units				
Walls - Stucco, Repair				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Landscape				
Lighting - Streets & Walkways				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile, Interior				
Cabana - Ceramic Tile, Showers				
Cabana - Doors				
Cabana - Plumbing Fixtures%				
Cabana - Restroom Partitions				
Cabana - Water Heater				

Sample Condominium Association
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool - Filters	2	12	$4,000.00	$3,538.46
Pool - Heater	7	12	$4,750.00	$1,959.79
Pool - Replaster & Tile	7	10	$34,387.50	$9,486.21
Pool Area - Furniture	4	6	$15,400.00	$4,529.41
Pool Area - Paver Deck, Repair	17	20	$20,000.00	$2,564.10
Pool Area - Wood Patio Covers	7	20	$15,125.00	$9,631.25
Spa - Filter	2	10	$2,000.00	$1,724.14
Spa - Heater	4	10	$4,750.00	$2,850.00
Spa - Replaster & Tile	7	10	$8,475.00	$2,337.93
Sub Total	**2-17**	**6-30**	**$152,107.50**	**$69,326.48**
070 Decks				
Decks/Stairs - Clean & Seal	2	4	$103,868.25	$45,895.27
Decks/Stairs - Resurface	6	20	$728,900.00	$552,196.97
Sub Total	**2-8**	**4-20**	**$832,768.25**	**$598,092.24**
080 Termite Control & Wood Repair				
Termite Control	n.a.	n.a.	$0.00	$300,000.00
Wood Repair - Paint Cycle	4	5	$58,000.00	$8,444.44
Wood Repair - Shutters	4	20	$44,900.00	$39,287.50
Sub Total	**4**	**5-20**	**$102,900.00**	**$345,731.94**
090 Landscape				
Landscape - Irrigation Controllers	7	12	$24,150.00	$9,450.00
Landscape - Renovation	0	1	$17,500.00	$17,500.00
Sub Total	**0-7**	**1-12**	**$41,650.00**	**$26,950.00**
100 Miscellaneous				
Fire Safety - Control Panels	1	20	$126,000.00	$121,655.17
Fire Safety - Extinguisher Cabinets	9	30	$64,900.00	$49,113.51
Mailboxes	18	20	$67,000.00	$8,700.00
Signage	0	20	$75,000.00	$75,000.00
Utility Closet Doors	4	20	$157,100.00	$137,462.50
Sub Total	**0-18**	**20-30**	**$490,000.00**	**$389,931.19**
Contingency	n.a.	n.a.	n.a.	$148,226.21
Total	0-18	1-40	$7,044,151.25	$5,089,099.96
Anticipated Reserve Balance				$2,860,500.00
Percent Funded				56.21%

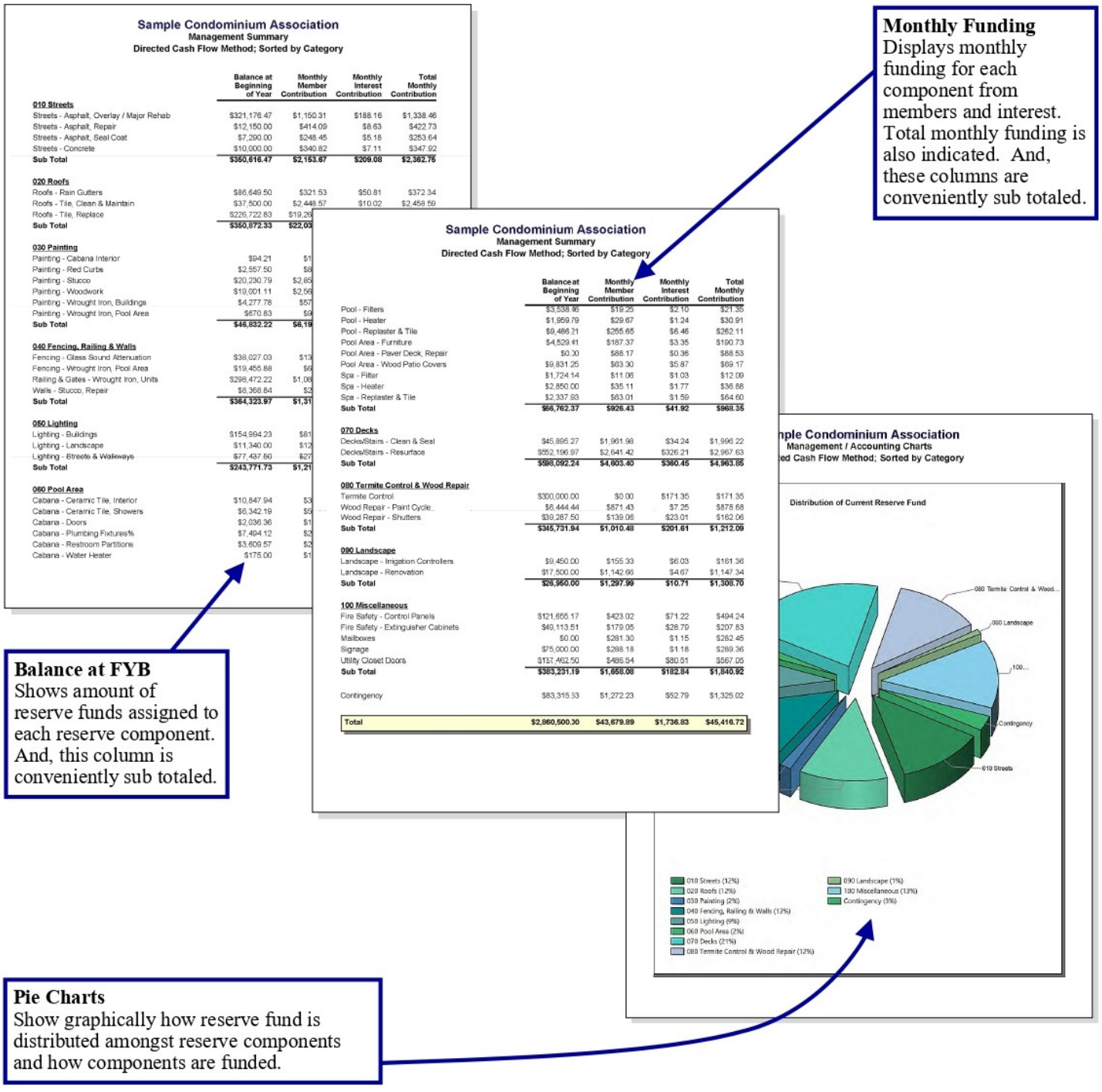
Current Cost
Displays current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

Fully Funded Balance
Displays fully funded balance for each component. This column is conveniently sub totaled.

Total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at bottom of this summary. Also shown is range of reserve component remaining lives and useful lives.

Management Summary and Charts

Summary displays all reserve components, shown here in "category" order. Provides assigned reserve funds at beginning of fiscal year for which reserve analysis is prepared along with monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how reserve fund is distributed amongst reserve component categories and how each category is funded on a monthly basis.



Sample Condominium Association
Management Summary
Directed Cash Flow Method; Sorted by Category

	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	$321,176.47	$1,150.31	$188.16	$1,338.46
Streets - Asphalt, Repair	$12,150.00	$414.09	$8.63	$422.73
Streets - Asphalt, Seal Coat	$7,290.00	$248.45	$5.18	$253.64
Streets - Concrete	$10,000.00	$340.82	$7.11	$347.92
Sub Total	**$350,616.47**	**$2,153.67**	**$209.08**	**$2,362.75**
020 Roofs				
Roofs - Rain Gutters	$86,649.50	$321.53	$50.81	$372.34
Roofs - Tile, Clean & Maintain	$37,500.00	$2,448.57	$10.02	$2,458.59
Roofs - Tile, Replace	$226,722.83	$19,26		
Sub Total	**$350,872.33**	**$22,03**		
030 Painting				
Painting - Cabana Interior	$94.21	$1		
Painting - Red Curbs	$2,557.50	$8		
Painting - Stucco	$20,230.79	$2,85		
Painting - Woodwork	$19,001.11	$2,56		
Painting - Wrought Iron, Buildings	$4,277.78	$57		
Painting - Wrought Iron, Pool Area	$670.83	$9		
Sub Total	**$46,832.22**	**$6,19**		
040 Fencing, Railing & Walls				
Fencing - Glass Sound Attenuation	$38,027.03	$13		
Fencing - Wrought Iron, Pool Area	$19,455.88	$6		
Railing & Gates - Wrought Iron, Units	$298,472.22	$1,08		
Walls - Stucco, Repair	$8,368.84	$2		
Sub Total	**$364,323.97**	**$1,31**		
050 Lighting				
Lighting - Buildings	$154,994.23	$81		
Lighting - Landscape	$11,340.00	$12		
Lighting - Streets & Walkways	$77,437.50	$27		
Sub Total	**$243,771.73**	**$1,21**		
060 Pool Area				
Cabana - Ceramic Tile, Interior	$10,847.94	$3		
Cabana - Ceramic Tile, Showers	$6,342.19	$5		
Cabana - Doors	$2,036.36	$1		
Cabana - Plumbing Fixtures%	$7,494.12	$2		
Cabana - Restroom Partitions	$3,609.57	$2		
Cabana - Water Heater	$175.00	$1		

Sample Condominium Association
Management Summary
Directed Cash Flow Method; Sorted by Category

	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Filters	$3,538.96	$19.25	$2.10	$21.35
Pool - Heater	$1,959.79	$29.67	$1.24	$30.91
Pool - Replaster & Tile	$9,486.21	$255.65	$6.46	$262.11
Pool Area - Furniture	$4,529.41	$187.37	$3.35	$190.73
Pool Area - Paver Deck, Repair	$0.00	$88.17	$0.36	$88.53
Pool Area - Wood Patio Covers	$9,831.25	$63.30	$5.87	$69.17
Spa - Filter	$1,724.14	$11.06	$1.03	$12.09
Spa - Heater	$2,850.00	$35.11	$1.77	$36.88
Spa - Replaster & Tile	$2,337.93	$63.01	$1.59	$64.60
Sub Total	**$56,762.37**	**$926.43**	**$41.92**	**$968.35**
070 Decks				
Decks/Stairs - Clean & Seal	$45,895.27	$1,961.98	$34.24	$1,996.22
Decks/Stairs - Resurface	$552,196.97	$2,641.42	$326.21	$2,967.63
Sub Total	**$598,092.24**	**$4,603.40**	**$360.45**	**$4,963.85**
080 Termite Control & Wood Repair				
Termite Control	$300,000.00	$0.00	$171.35	$171.35
Wood Repair - Paint Cycle	$6,444.44	$871.43	$7.25	$878.68
Wood Repair - Shutters	$39,287.50	$139.06	$23.01	$162.06
Sub Total	**$345,731.94**	**$1,010.48**	**$201.61**	**$1,212.09**
090 Landscape				
Landscape - Irrigation Controllers	$9,450.00	$155.33	$6.03	$161.36
Landscape - Renovation	$17,500.00	$1,142.66	$4.67	$1,147.34
Sub Total	**$26,950.00**	**$1,297.99**	**$10.71**	**$1,308.70**
100 Miscellaneous				
Fire Safety - Control Panels	$121,655.17	$423.02	$71.22	$494.24
Fire Safety - Extinguisher Cabinets	$49,113.51	$179.05	$28.79	$207.83
Mailboxes	$0.00	$281.30	$1.15	$282.45
Signage	$75,000.00	$288.18	$1.18	$289.36
Utility Closet Doors	$137,462.50	$486.54	$80.51	$567.05
Sub Total	**$383,231.19**	**$1,658.08**	**$182.84**	**$1,840.92**
Contingency	$83,315.53	$1,272.23	$52.79	$1,325.02
Total	**$2,860,500.30**	**$43,679.89**	**$1,736.83**	**$45,416.72**

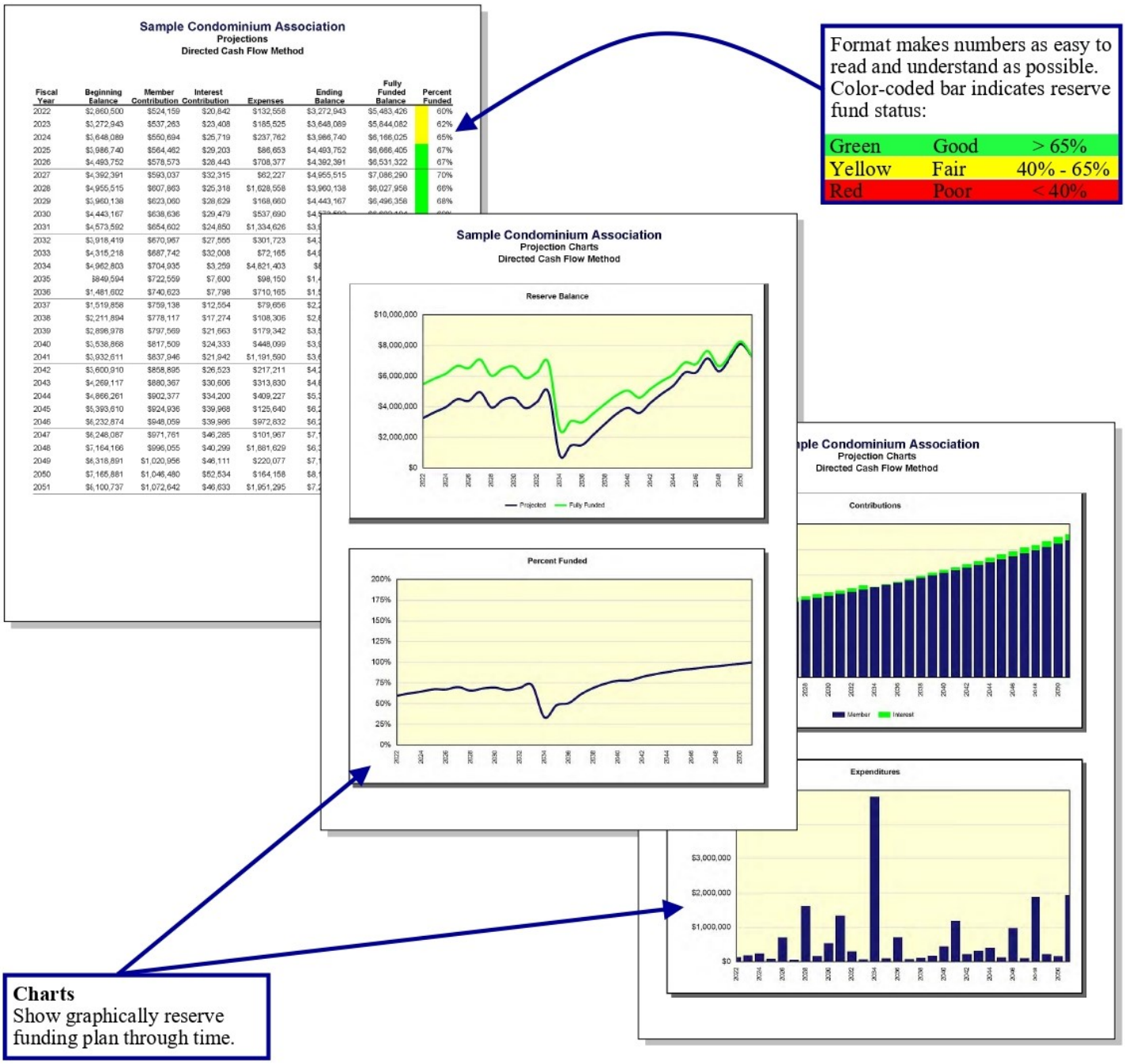
Monthly Funding
Displays monthly funding for each component from members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

Balance at FYB
Shows amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

Pie Charts
Show graphically how reserve fund is distributed amongst reserve components and how components are funded.

Projections and Charts

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of projection period (shown here for 30 years). Two columns on the right-hand side provide fully funded ending balance and percent funded for each year. Charts show the same information in an easy-to-understand graphic format.

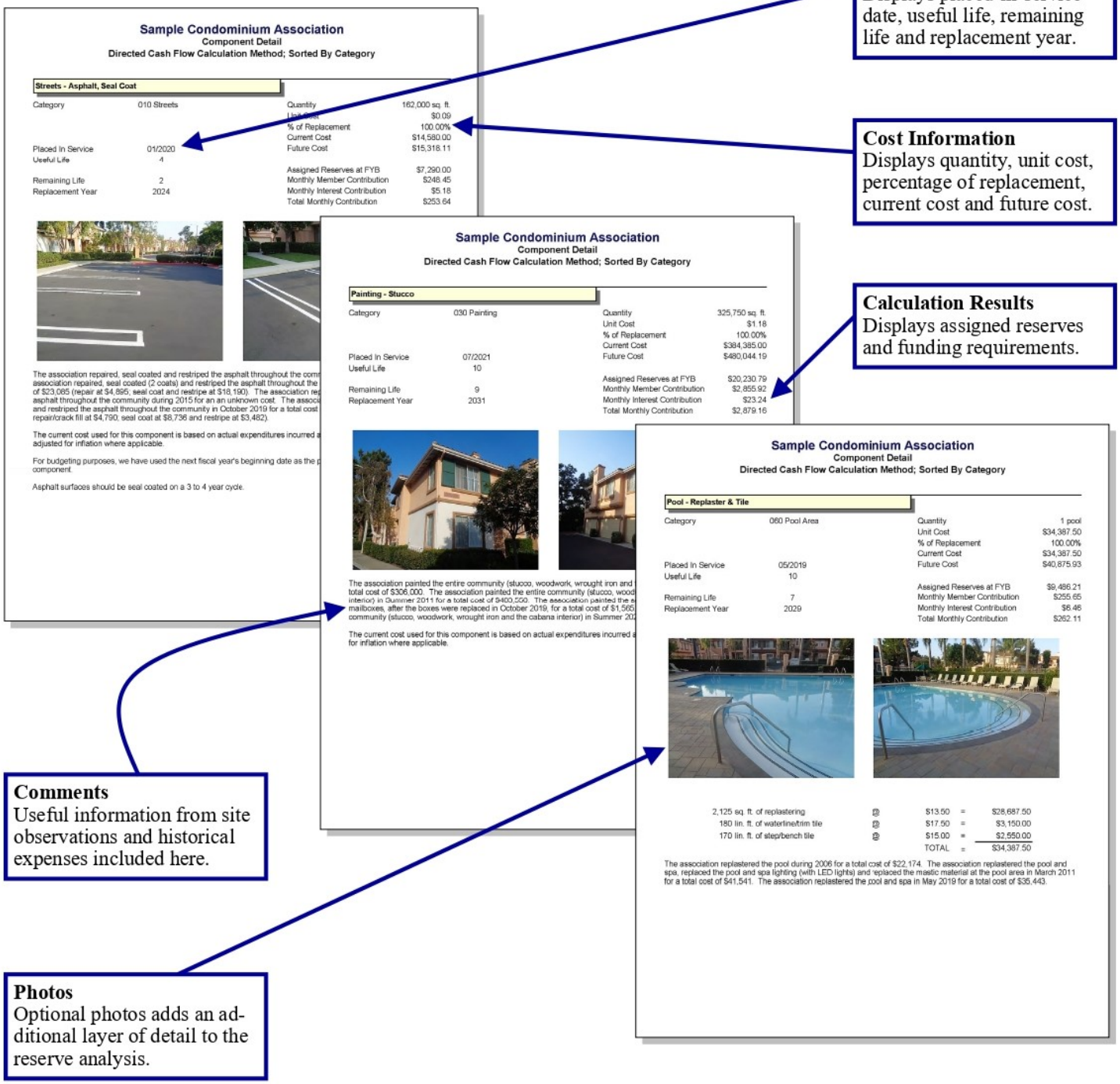


Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2022	$2,860,500	$524,159	$20,842	$132,558	$3,272,943	$5,483,426	60%
2023	$3,272,943	$537,263	$23,408	$185,525	$3,648,089	$5,844,082	62%
2024	$3,648,089	$550,694	$25,719	$237,762	$3,986,740	$6,166,025	65%
2025	$3,986,740	$564,462	$29,203	$86,653	$4,493,752	$6,666,405	67%
2026	$4,493,752	$578,573	$28,443	$708,377	$4,392,391	$6,531,322	67%
2027	$4,392,391	$593,037	$32,315	$62,227	$4,955,515	$7,086,290	70%
2028	$4,955,515	$607,863	$25,318	$1,628,558	$3,960,138	$6,027,958	66%
2029	$3,960,138	$623,060	$28,629	$168,660	$4,443,167	$6,496,358	68%
2030	$4,443,167	$638,636	$29,479	$537,690	$4,573,592		
2031	$4,573,592	$654,602	$24,850	$1,334,626	$3,918,419		
2032	$3,918,419	$670,967	$27,555	$301,723	$4,315,218		
2033	$4,315,218	$687,742	$32,008	$72,165	$4,962,803		
2034	$4,962,803	$704,935	$3,259	$4,821,403	$849,594		
2035	$849,594	$722,559	$7,600	$98,150	$1,481,602		
2036	$1,481,602	$740,623	$7,798	$710,165	$1,519,858		
2037	$1,519,858	$759,138	$12,554	$79,656	$2,211,894		
2038	$2,211,894	$778,117	$17,274	$108,306	$2,898,978		
2039	$2,898,978	$797,569	$21,663	$179,342	$3,538,868		
2040	$3,538,868	$817,509	$24,333	$448,099	$3,932,611		
2041	$3,932,611	$837,946	$21,942	$1,191,590	$3,600,910		
2042	$3,600,910	$858,895	$26,523	$217,211	$4,269,117		
2043	$4,269,117	$880,367	$30,606	$313,830	$4,866,261		
2044	$4,866,261	$902,377	$34,200	$409,227	$5,393,610		
2045	$5,393,610	$924,936	$39,968	$125,640	$6,232,874		
2046	$6,232,874	$948,059	$39,986	$972,632	$6,248,087		
2047	$6,248,087	$971,761	$46,285	$101,967	$7,164,166		
2048	$7,164,166	$996,055	$40,299	$1,881,629	$6,318,891		
2049	$6,318,891	$1,020,956	$46,111	$220,077	$7,165,881		
2050	$7,165,881	$1,046,480	$52,534	$164,158	$8,100,737		
2051	$8,100,737	$1,072,642	$46,633	$1,951,295			

Preface

Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.



♦ ♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦ ♦ ♦

Anticipated Reserve Balance (or Reserve Funds)
Amount of money, as of a certain point in time, held by association to be used for the repair or replacement of reserve components. This figure is "anticipated" because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

Assigned Funds (and "Fixed" Assigned Funds)
Amount of money, as of fiscal year beginning date for which reserve analysis is prepared, that a reserve component has been assigned.

Assigned funds are considered "fixed" when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns $10,000 to the roofs, but the association would like to show $20,000 assigned to roofs, "fixed" funds of $20,000 can be assigned.

Component Calculation Method
Reserve funding calculation method developed based on each individual reserve component. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Contingency Parameter
Rate used as a built-in buffer in the calculation of a reserve funding plan. This rate will assign a percentage of reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward contingency each month.

Contribution Increase Parameter
Rate used in calculation of funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Current Replacement Cost
Amount of money, as of fiscal year beginning date for which reserve analysis is prepared, that a reserve component is expected to cost to replace.

Directed Cash Flow Calculation Method
Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Fiscal Year
Budget year for association for which reserve analysis is prepared. Fiscal year beginning (FYB) is first day of budget year; fiscal year end (FYE) is last day of budget year.

Fully Funded Reserve Balance
Amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life:

$$\text{Fully Funded Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

Fully funded reserve balance is the sum of the fully funded reserves for each reserve component.
An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve com-

ponents it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost
Amount of money, as of fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

Global Parameters
Financial parameters used to calculate reserve analysis. See also "inflation parameter," "contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

Inflation Parameter
Rate used in calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents rate the association expects the cost of goods and services relating to their reserve components to increase each year.

Interest Contribution
Amount of money contributed to reserve fund by interest earned on reserve fund and member contributions.

Investment Rate Parameter
Gross rate used in calculation of interest contribution (interest earned) from reserve balance and member contributions. This rate (net of taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate association expects to earn on their reserve fund investments.

Membership Contribution
Amount of money contributed to reserve fund by association's membership.

Minimum Cash Flow Calculation Method
Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Monthly Contribution (and "Fixed" Monthly Contribution)
Amount of money, for fiscal year which reserve analysis is prepared, that a reserve component will be funded.

Monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

Number of Units (or other assessment basis)
Number of units for which reserve analysis is prepared. In "phased" developments, this number represents the number of units, and corresponding common area components, that exist as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than number of units. Examples include time-interval weeks for timeshare resorts or lot acreage (or square feet) for commercial/ industrial developments.

One-Time Replacement
Used for components that will be budgeted for only once.

Percent Funded
Measure of association's reserve fund "health," expressed as a percentage, as of a certain point in time. This number is the ratio of anticipated reserve fund balance to fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

Preface

Reserve fund health:

Green	Good	> 65%
Yellow	Fair	40% to 65%
Red	Poor	< 40%

An association that is 100% funded does not have all reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for reserve components it maintains, based on each component's current replacement cost, age and useful life.

Percentage of Replacement
Percentage of reserve component that is expected to be replaced.

For most reserve components, this percentage is 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%. Another example would be a component where partial replacement is expected, such as interior doors.

Placed-In-Service Date
Date (month and year) that a reserve component was originally put into service or last replaced.

Remaining Life
Length of time, in years, until a reserve component is scheduled to be replaced.

Remaining Life Adjustment
Length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for current cycle of replacement (only).

If current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year
Fiscal year that a reserve component is scheduled to be replaced.

Reserve Components
Line items included in the reserve analysis.

Taxes on Investments Parameter
Rate used to offset investment rate parameter in the calculation of interest contribution. This parameter represents the marginal tax rate association expects to pay on interest earned by reserve funds and member contributions.

Total Contribution
Sum of membership contribution and interest contribution.

Useful Life
Length of time, in years, that a reserve component is expected to last each time it is replaced. See also "remaining life adjustment."

♦ ♦ ♦ ♦ LIMITATIONS OF RESERVE ANALYSIS ♦ ♦ ♦ ♦

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

Representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility or error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, climate change, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the reserve components.

Sugarloaf Condominium
Executive Summary
Directed Cash Flow Method

Client Information

Account Number	20193
Version Number	2
Analysis Date	11/2/2023
Fiscal Year	1/1/2024 to 12/31/2024
Number of Units	70

Global Parameters

Inflation Rate	3.50%
Annual Contribution Increase	3.50%
Investment Rate	2.50%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile

Sugarloaf Condominium, located off Sugarloaf Street in South Deerfield, is comprised of 35 duplex homes for a total of 70 units. Private roads Snowberry Circle and Gray Lock Lane serve the community.

The one-story homes were constructed between 2018 and early 2023. Wood light frame construction buildings have poured concrete foundations and vinyl siding exteriors. The roofing is architectural asphalt shingles.

Reserve study version 2 deletes components for roads, curb/berms, catch basins within roads, and sidewalks that were accepted by Town of Deerfield at Town Meeting October 23, 2023.

For budgeting purposes, unless otherwise indicated, we have used 1/2021 as the average placed-in-service date for aging the original unit components.

ARS site visit: July 20, 2023.

Reserve fund balance provided by client.

Adequacy of Reserves as of January 1, 2024

Anticipated Reserve Balance	**$120,000.00**
Fully Funded Reserve Balance	**$271,444.00**
Percent Funded	**44.21%**

Funding for the 2024 Fiscal Year	Annual	Monthly	Per Unit Per Month
Member Contribution	**$125,214**	**$10,434.50**	**$149.06**
Interest Contribution	**$3,126**	**$260.51**	**$3.72**
Total Contribution	**$128,340**	**$10,695.01**	**$152.79**

Sugarloaf Condominium
Preparer's Disclosure Statement

Paul Huijing, P.E. completed this reserve study. Consultant certifies that:

1) Consultant has no other involvement with association which could result in actual or perceived conflicts of interest.

2) Consultant made a site visit to this community on July 20, 2023. Component inventories were developed by actual field inventory, representative sampling, or by making "take-offs" of scaled plans/maps from community's developer.

3) Component conditional assessments were developed by actual field observation and representative sampling.

4) Financial assumptions used in this analysis are listed on the Executive Summary and further explained in the Preface of this report.

5) This is a "Level 1" full reserve study with a site visit.

6) Study does not take into account negative affects of climate change.

7) Construction material and labor shortages are still prevalent due to COVID-19 pandemic. Costs have increased significantly in past year. Pricing within reserve study anticipates that these shortages will be alleviated, but generally higher pricing will continue.

8) Actual current inflation rate is higher than assumed long-term inflation rate in the study. The duration of this higher inflation level is unknown. More frequent reserve study updates are recommended if actual inflation is not at the assumed long-term rate for a prolonged period of time.

9) There are no other material issues known to consultant at this time which would cause a distortion of the association's situation.

Sugarloaf Condominium
Sugarloaf Comments

Projected reserve balance on 1/1/2024 of $120,000 and 2023 reserve contribution of $21,000 provided by client via email 7/17/23.

Reserve earnings:
Client currently has funds invested in CD's at 4%. However, these are special rates and may not be available when they mature. It is also expected that more funds will need to be kept in a lower yielding account over time so funds are readily available. An average of 2.5% is currently assumed over the study time period. Yield can be revised in future reserve study updates.

Unit owner exterior component responsibility, per client:
- Windows & doors, including overhead garage doors and bulkhead doors
- Front porches, decks, patios, sunrooms
- Exterior wall lighting specific to a unit.

Specific unfunded components due to long life or minor cost:
- Small length of wood split rail fencing and gravel path to woods/state park
- Fire hydrants are assumed to be responsibility of town
- Minor signs around community
- Minor painting considered an operating expense
- Propane tanks owned by propane company

Components for any of these items can be added if desired.

General unfunded components:
The following components are often repaired and/or replaced on an as-needed basis and not funded for a complete replacement at one time. There is no practical method to determine the remaining life of these components. Periodic allowances can be included if association has experienced past replacements of these components.

Concrete: Anticipated to last life of building. Typically, budgeting for concrete repairs as a reserve component is excluded as it is anticipated repairs required will be addressed immediately due to safety concerns. Minor repairs should be addressed using the client's operating and/or reserve contingency funds. Should the client desire, funding for this component can be included. Areas include but are not limited to: foundations, walls (exterior/interior), balconies, parking structure and decks.

Wood & steel structural framing: Anticipated to last life of building. Repairs done on as-needed basis.

Plumbing pipes: Plumbing systems are built to last the legal life of a building/site. Complete replacement of the common area plumbing pipes (including main and lateral service pipes) is expensive and requires removal of walls, ceilings and floors. Repairs to this type of system are typically done on an as-needed basis for safety and/or building preservation. It is rare that a complete plumbing system is replaced. Most repairs and/or replacements are due to unforeseen issues, product defects, construction defects, improper installation, or from improper chemical treatments. Storm water piping system (if any) is also built to last legal life of association. Repairs to this type of system are also done on an as-needed basis.

Electrical services (lines/meters): Electrical service systems are built to last the legal life of a building/site. Complete replacement of the electrical service lines is expensive and requires removal of walls, ceilings and floors. Repairs required will typically be addressed immediately due to safety concerns. It is rare that a complete electrical system is replaced. Most repairs and/or replacements are due to unforeseen issues, product defects, construction defects, or improper installation.

Sugarloaf Condominium
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
005 Site				
Site - Asphalt, Driveways	22	25	$200,600.00	$24,072.00
Site - Asphalt, Maintenance	3	3	$1,500.00	$0.00
Site - Asphalt, Unit Walkways	22	25	$40,480.00	$4,857.60
Site - Fence, Stockade	22	25	$12,000.00	$1,440.00
Site - Lighting	22	25	$27,000.00	$3,240.00
Site - Retaining Wall	27	30	$30,000.00	$3,000.00
Sub Total	**3-27**	**3-30**	**$311,580.00**	**$36,609.60**
020 Building Exterior				
Exterior - Roof, Gutters	22	25	$83,500.00	$10,020.00
Exterior - Roofs, 1	37	40	$567,187.50	$42,539.06
Exterior - Roofs, 2	38	40	$567,187.50	$41,501.52
Exterior - Siding, Vinyl, 1	32	35	$762,375.00	$65,346.43
Exterior - Siding, Vinyl, 2	33	35	$762,375.00	$63,531.25
Sub Total	**22-38**	**25-40**	**$2,742,625.00**	**$222,938.27**
060 Equipment				
Equipment - Infrastructure Replacements	17	5	$10,000.00	$0.00
Equipment - Mailboxes	22	25	$33,250.00	$3,990.00
Sub Total	**17-22**	**5-25**	**$43,250.00**	**$3,990.00**
Contingency	n.a.	n.a.	n.a.	$7,906.14
Total	**3-38**	**3-40**	**$3,097,455.00**	**$271,444.00**
Anticipated Reserve Balance				**$120,000.00**
Percent Funded				**44.21%**

Sugarloaf Condominium
Management Summary
Directed Cash Flow Method; Sorted by Category

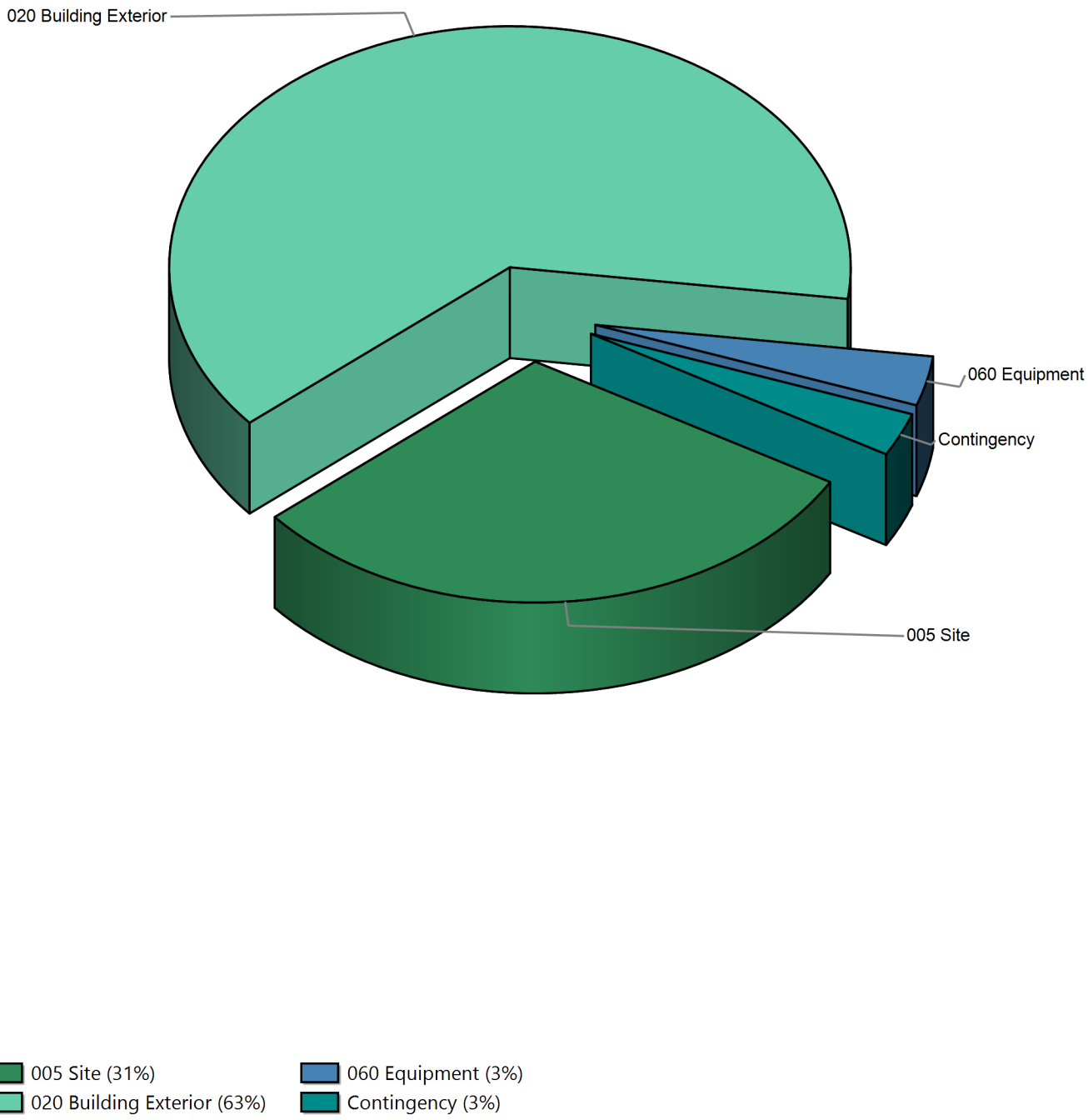
	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
005 Site				
Site - Asphalt, Driveways	$24,072.00	$827.65	$41.88	$869.53
Site - Asphalt, Maintenance	$0.00	$42.37	$0.35	$42.72
Site - Asphalt, Unit Walkways	$4,857.60	$167.02	$8.45	$175.47
Site - Fence, Stockade	$1,440.00	$49.51	$2.51	$52.02
Site - Lighting	$3,240.00	$111.40	$5.64	$117.04
Site - Retaining Wall	$3,000.00	$107.12	$5.25	$112.37
Sub Total	**$36,609.60**	**$1,305.07**	**$64.07**	**$1,369.14**
020 Building Exterior				
Exterior - Roof, Gutters	$10,020.00	$344.51	$17.43	$361.94
Exterior - Roofs, 1	$0.00	$1,704.08	$13.98	$1,718.06
Exterior - Roofs, 2	$0.00	$1,671.85	$13.72	$1,685.56
Exterior - Siding, Vinyl, 1	$65,346.43	$2,421.98	$115.11	$2,537.10
Exterior - Siding, Vinyl, 2	$538.83	$2,489.97	$21.22	$2,511.19
Sub Total	**$75,905.25**	**$8,632.40**	**$181.46**	**$8,813.86**
060 Equipment				
Equipment - Infrastructure Replacements	$0.00	$55.93	$0.46	$56.39
Equipment - Mailboxes	$3,990.00	$137.19	$6.94	$144.13
Sub Total	**$3,990.00**	**$193.11**	**$7.40**	**$200.51**
Contingency	$3,495.15	$303.92	$7.59	$311.51
Total	**$120,000.00**	**$10,434.50**	**$260.51**	**$10,695.01**

Sugarloaf Condominium

Management / Accounting Charts

Directed Cash Flow Method; Sorted by Category

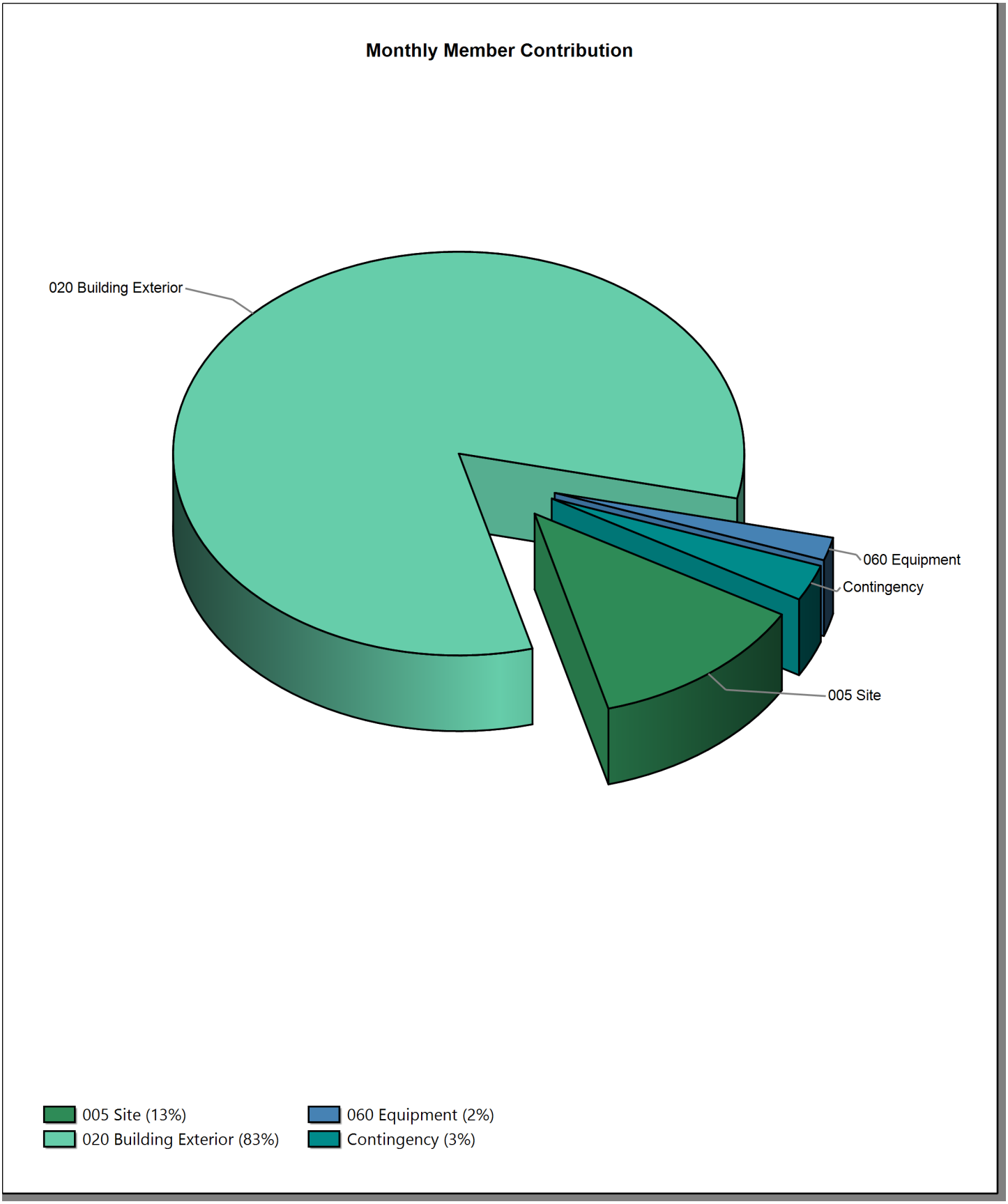
Distribution of Current Reserve Fund



Sugarloaf Condominium

Management / Accounting Charts

Directed Cash Flow Method; Sorted by Category



Sugarloaf Condominium
Annual Expenditures
Sorted by Alphabetical

2027 Fiscal Year	
Site - Asphalt, Maintenance	$1,663.08
Sub Total	**$1,663.08**
2030 Fiscal Year	
Site - Asphalt, Maintenance	$1,843.88
Sub Total	**$1,843.88**
2033 Fiscal Year	
Site - Asphalt, Maintenance	$2,044.35
Sub Total	**$2,044.35**
2036 Fiscal Year	
Site - Asphalt, Maintenance	$2,266.60
Sub Total	**$2,266.60**
2039 Fiscal Year	
Site - Asphalt, Maintenance	$2,513.02
Sub Total	**$2,513.02**
2041 Fiscal Year	
Equipment - Infrastructure Replacements	$17,946.76
Sub Total	**$17,946.76**
2042 Fiscal Year	
Site - Asphalt, Maintenance	$2,786.23
Sub Total	**$2,786.23**
2045 Fiscal Year	
Site - Asphalt, Maintenance	$3,089.15
Sub Total	**$3,089.15**
2046 Fiscal Year	
Equipment - Infrastructure Replacements	$21,315.12
Equipment - Mailboxes	$70,872.76
Exterior - Roof, Gutters	$177,981.22
Site - Asphalt, Driveways	$427,581.22
Site - Asphalt, Unit Walkways	$86,283.59
Site - Fence, Stockade	$25,578.14
Site - Lighting	$57,550.81
Sub Total	**$867,162.85**

Sugarloaf Condominium
Annual Expenditures
Sorted by Alphabetical

2048 Fiscal Year	
Site - Asphalt, Maintenance	$3,424.99
Sub Total	**$3,424.99**
2051 Fiscal Year	
Equipment - Infrastructure Replacements	$25,315.67
Site - Asphalt, Maintenance	$3,797.35
Site - Retaining Wall	$75,947.01
Sub Total	**$105,060.04**

Sugarloaf Condominium

Projections

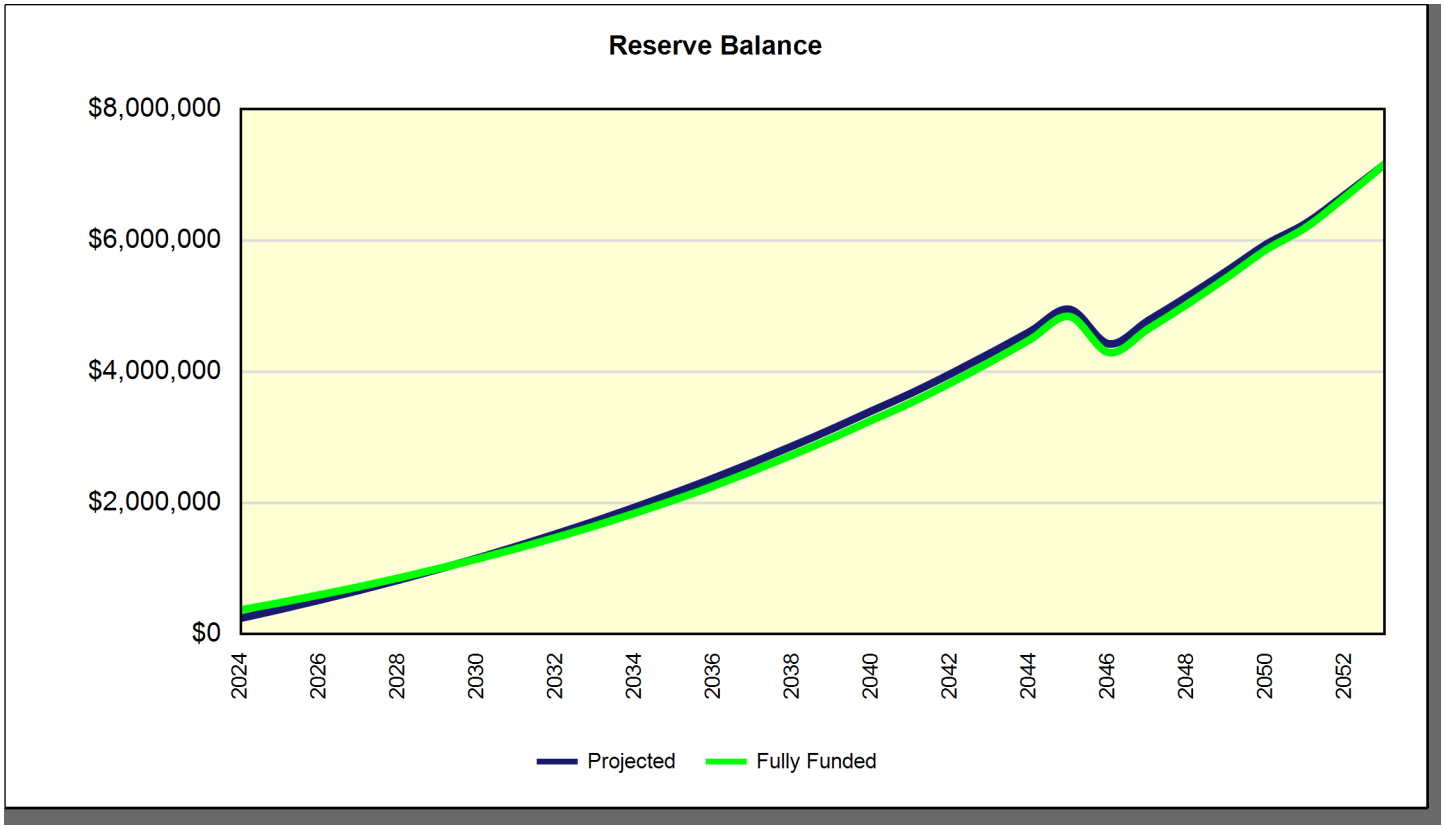
Directed Cash Flow Method

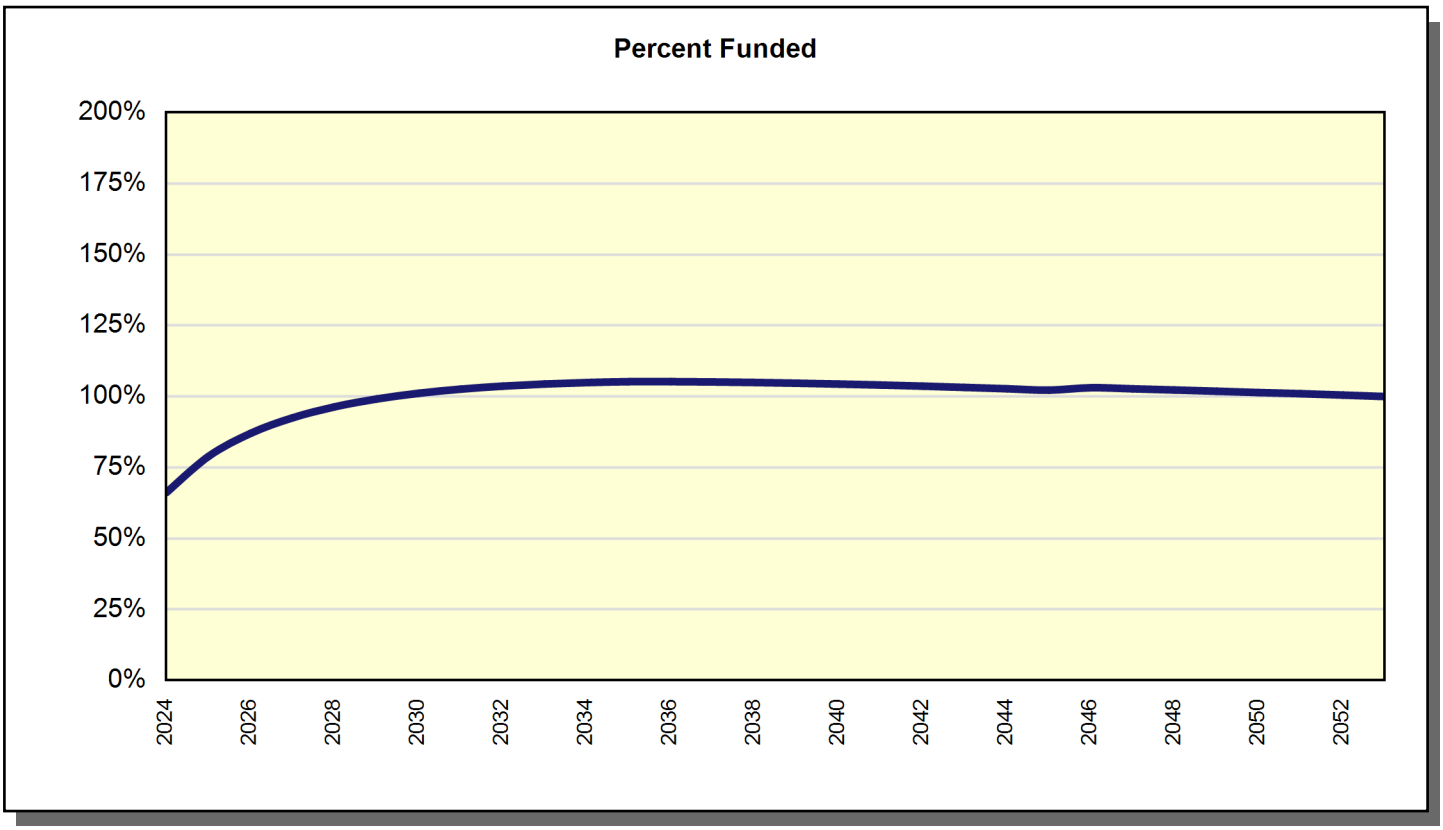
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2024	$120,000	$125,214	$3,126	$0	$248,340	$375,126	66%
2025	$248,340	$129,596	$5,426	$0	$383,362	$485,733	79%
2026	$383,362	$134,132	$7,844	$0	$525,338	$603,623	87%
2027	$525,338	$138,827	$10,357	$1,663	$672,859	$727,397	93%
2028	$672,859	$143,686	$13,028	$0	$829,573	$860,931	96%
2029	$829,573	$148,715	$15,833	$0	$994,121	$1,002,921	99%
2030	$994,121	$153,920	$18,745	$1,844	$1,164,943	$1,151,830	101%
2031	$1,164,943	$159,307	$21,835	$0	$1,346,085	$1,311,969	103%
2032	$1,346,085	$164,883	$25,075	$0	$1,536,043	$1,481,907	104%
2033	$1,536,043	$170,654	$28,437	$2,044	$1,733,089	$1,659,954	104%
2034	$1,733,089	$176,627	$31,997	$0	$1,941,713	$1,850,904	105%
2035	$1,941,713	$182,809	$35,727	$0	$2,160,249	$2,053,187	105%
2036	$2,160,249	$189,207	$39,594	$2,267	$2,386,783	$2,268,168	105%
2037	$2,386,783	$195,829	$43,684	$0	$2,626,296	$2,498,184	105%
2038	$2,626,296	$202,683	$47,964	$0	$2,876,943	$2,741,522	105%
2039	$2,876,943	$209,777	$52,399	$2,513	$3,136,606	$2,996,155	105%
2040	$3,136,606	$217,119	$57,083	$0	$3,410,808	$3,268,026	104%
2041	$3,410,808	$224,718	$61,665	$17,947	$3,679,245	$3,536,126	104%
2042	$3,679,245	$232,584	$66,731	$2,786	$3,975,774	$3,835,821	104%
2043	$3,975,774	$240,724	$72,077	$0	$4,288,575	$4,155,238	103%
2044	$4,288,575	$249,149	$77,663	$0	$4,615,387	$4,492,314	103%
2045	$4,615,387	$257,870	$83,444	$3,089	$4,953,612	$4,844,603	102%
2046	$4,953,612	$266,895	$74,240	$867,163	$4,427,584	$4,295,018	103%
2047	$4,427,584	$276,236	$80,334	$0	$4,784,154	$4,657,821	103%
2048	$4,784,154	$285,905	$86,641	$3,425	$5,153,275	$5,037,109	102%
2049	$5,153,275	$295,911	$93,294	$0	$5,542,481	$5,441,020	102%
2050	$5,542,481	$306,268	$100,244	$0	$5,948,992	$5,867,034	101%
2051	$5,948,992	$316,988	$105,648	$105,060	$6,266,568	$6,204,204	101%
2052	$6,266,568	$328,082	$113,193	$0	$6,707,843	$6,673,709	101%
2053	$6,707,843	$339,565	$121,070	$0	$7,168,478	$7,168,478	100%

Sugarloaf Condominium

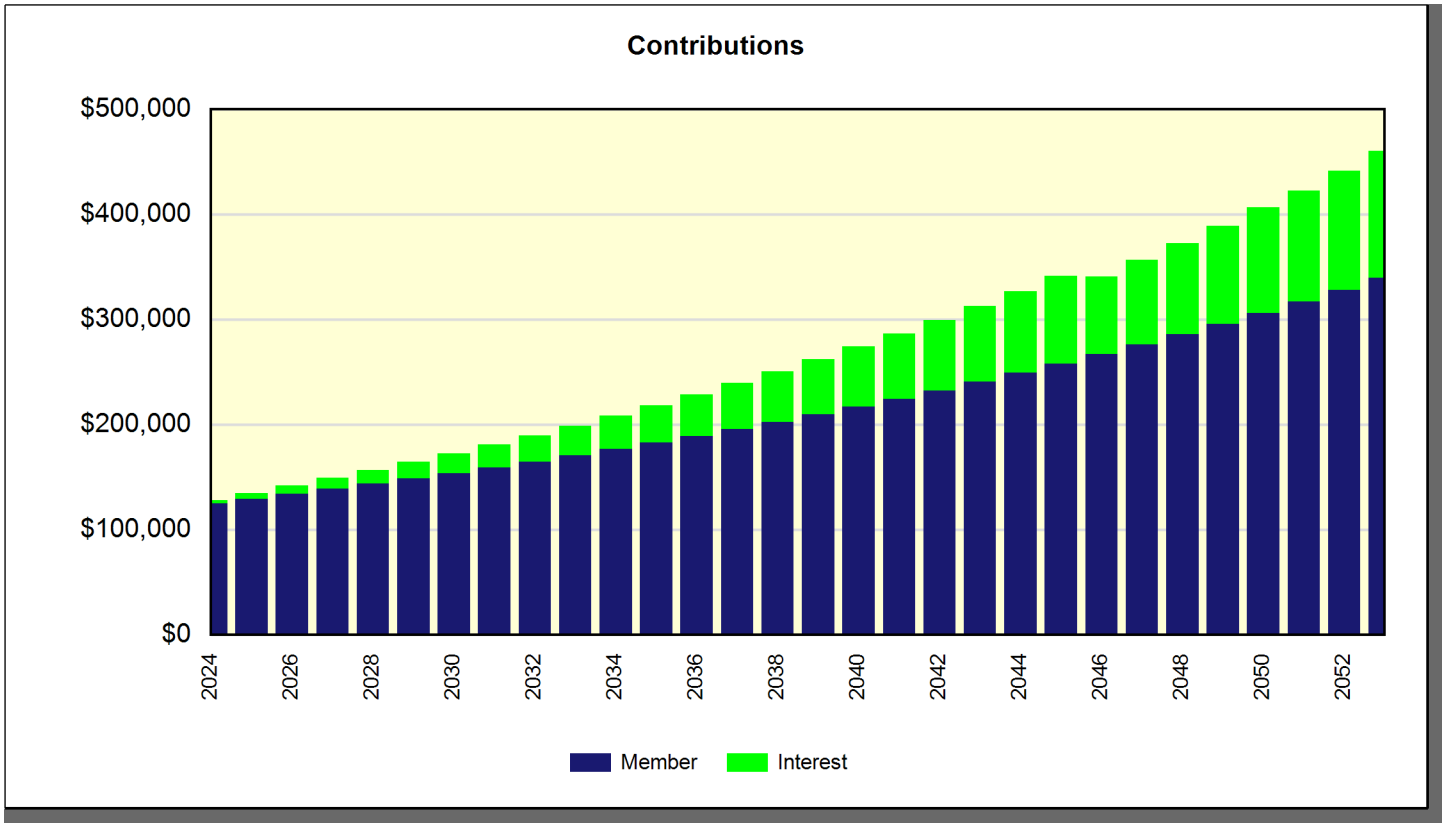
Projection Charts

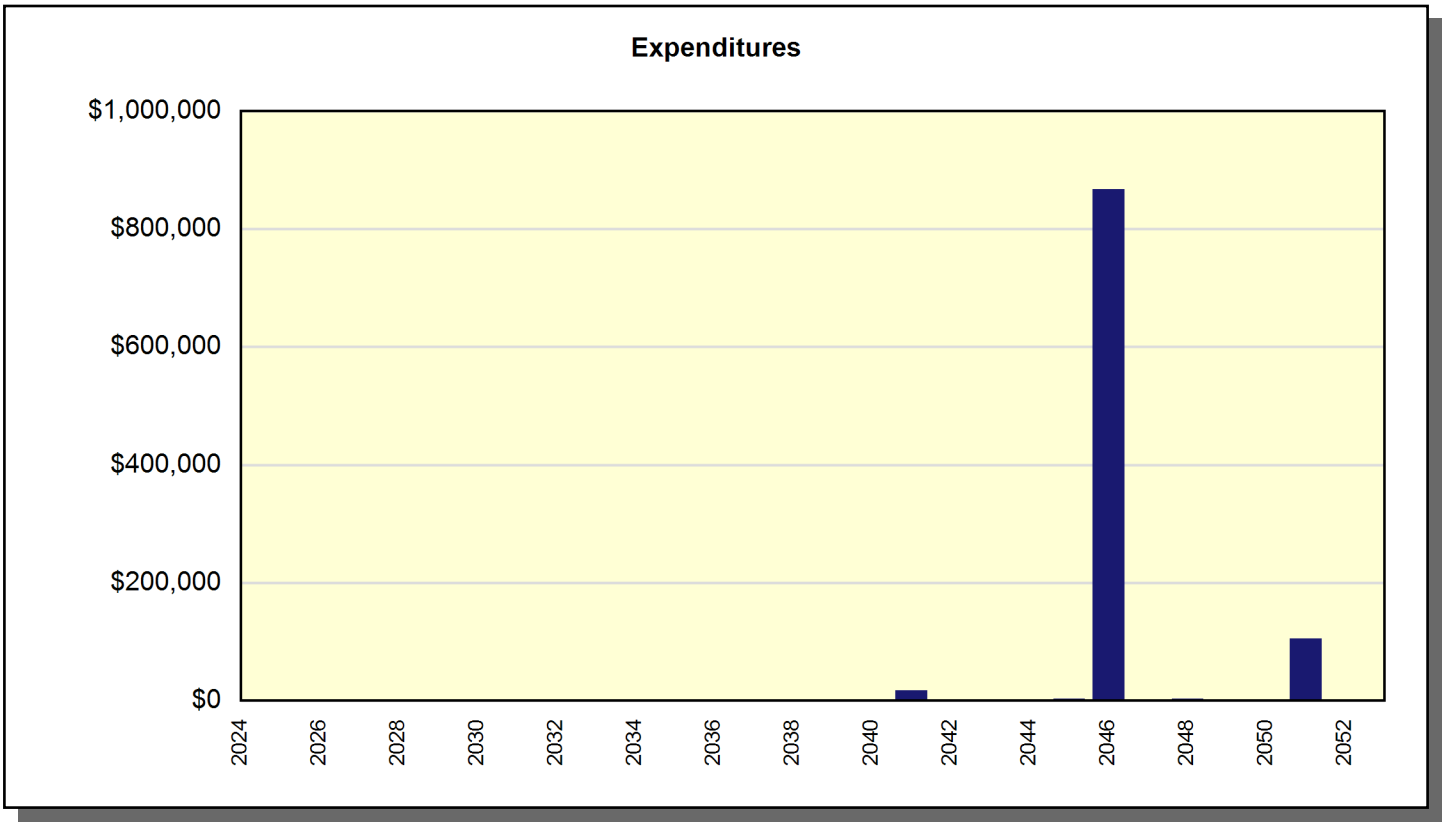
Directed Cash Flow Method





Sugarloaf Condominium
Projection Charts
Directed Cash Flow Method





Sugarloaf Condominium
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Site - Asphalt, Driveways

Category	005 Site	Quantity	47,200 sq. ft.
		Unit Cost	$4.25
		% of Replacement	100.00%
		Current Cost	$200,600.00
Placed In Service	01/2021	Future Cost	$427,581.22
Useful Life	25		
		Assigned Reserves at FYB	$24,072.00
Remaining Life	22	Monthly Member Contribution	$827.65
Replacement Year	2046	Monthly Interest Contribution	$41.88
		Total Monthly Contribution	$869.53

Component budget covers rebuild of asphalt driveways. Asphalt was in good condition at site visit. Component listed separately from roads due to longer driveway typical useful life and higher cost per sq. ft. for rebuild vs. overlay. Driveway area equates to 5240 sq. yds.

Pavement should be evaluated annually. Crack sealing maintenance and minor repairs should be evaluated annually and are listed as a separate component.

See additional asphalt general comments under "Site - Asphalt, Overlay".

Sugarloaf Condominium
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Site - Asphalt, Maintenance

Category	005 Site
Placed In Service	01/2024
Useful Life	3
Remaining Life	3
Replacement Year	2027

Quantity	1 total
Unit Cost	$1,500.00
% of Replacement	100.00%
Current Cost	$1,500.00
Future Cost	$1,663.08
Assigned Reserves at FYB	$0.00
Monthly Member Contribution	$42.37
Monthly Interest Contribution	$0.35
Total Monthly Contribution	$42.72

Component budget covers asphalt driveway and walkway maintenance. Asphalt is in good condition. As infrastructure ages, allowance should be adjusted in future reserve study updates.

Asphalt maintenance includes sealing cracks and performing minor repairs to ensure asphalt achieves its expected useful life and to maintain safety. Minor repairs include repairing cracks, and potholes, as needed. Maintenance costs will be decreased in initial years after asphalt rebuild.

Asphalt should be evaluated annually and any safety issues addressed.

Sugarloaf Condominium
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Site - Asphalt, Unit Walkways

Category	005 Site	Quantity	7,360 sq. ft.
		Unit Cost	$5.50
		% of Replacement	100.00%
		Current Cost	$40,480.00
Placed In Service	01/2021	Future Cost	$86,283.59
Useful Life	25		
		Assigned Reserves at FYB	$4,857.60
Remaining Life	22	Monthly Member Contribution	$167.02
Replacement Year	2046	Monthly Interest Contribution	$8.45
		Total Monthly Contribution	$175.47

Component budget covers asphalt walkways to unit front doors. Walkways were in good condition at site visit. Lower unit cost used in anticipation of replacement of walkways in conjunction with driveways.

Sugarloaf Condominium
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Site - Fence, Stockade

Category	005 Site	Quantity	200 lin. ft.
		Unit Cost	$60.00
		% of Replacement	100.00%
		Current Cost	$12,000.00
Placed In Service	01/2021	Future Cost	$25,578.14
Useful Life	25		
		Assigned Reserves at FYB	$1,440.00
Remaining Life	22	Monthly Member Contribution	$49.51
Replacement Year	2046	Monthly Interest Contribution	$2.51
		Total Monthly Contribution	$52.02

Component budget covers 6' vinyl stockade fencing along a portion of north property line. Fencing was in good condition at site visit.

Sugarloaf Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Site - Lighting

Category	005 Site	Quantity	9 lights
		Unit Cost	$3,000.00
		% of Replacement	100.00%
		Current Cost	$27,000.00
Placed In Service	01/2021	Future Cost	$57,550.81
Useful Life	25		
		Assigned Reserves at FYB	$3,240.00
Remaining Life	22	Monthly Member Contribution	$111.40
Replacement Year	2046	Monthly Interest Contribution	$5.64
		Total Monthly Contribution	$117.04

Component budget covers site post lights. Lighting was in good condition at site visit. Cost assumes that post light wiring and concrete bases can be reused. Fixture quality and size will affect cost significantly.

Sugarloaf Condominium
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Site - Retaining Wall

Category	005 Site	Quantity	600 sq. ft.
		Unit Cost	$50.00
		% of Replacement	100.00%
		Current Cost	$30,000.00
Placed In Service	01/2021	Future Cost	$75,947.01
Useful Life	30		
		Assigned Reserves at FYB	$3,000.00
Remaining Life	27	Monthly Member Contribution	$107.12
Replacement Year	2051	Monthly Interest Contribution	$5.25
		Total Monthly Contribution	$112.37

Component budget covers landscape block retaining walls adjacent to building 33. Walls were in good condition at site inspection.

Sugarloaf Condominium
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Exterior - Roof, Gutters

Category	020 Building Exterior	Quantity	8,350 lin. ft.
		Unit Cost	$10.00
		% of Replacement	100.00%
		Current Cost	$83,500.00
Placed In Service	01/2021	Future Cost	$177,981.22
Useful Life	25		
		Assigned Reserves at FYB	$10,020.00
Remaining Life	22	Monthly Member Contribution	$344.51
Replacement Year	2046	Monthly Interest Contribution	$17.43
		Total Monthly Contribution	$361.94

Component budget covers replacement of aluminum 5" gutters and 2"x3" downspouts on units. Frequently, gutter replacement coincides with roof replacement. However, with longer life roof shingles, replacement may be needed sooner. Gutters were in good condition at site visit. Remaining life should be updated in future reserve study updates.

Sugarloaf Condominium
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Exterior - Roofs, 1

Category	020 Building Exterior	Quantity	181,500 sq. ft.
		Unit Cost	$6.25
		% of Replacement	50.00%
		Current Cost	$567,187.50
Placed In Service	01/2021	Future Cost	$2,025,440.98
Useful Life	40		
		Assigned Reserves at FYB	$0.00
Remaining Life	37	Monthly Member Contribution	$1,704.08
Replacement Year	2061	Monthly Interest Contribution	$13.98
		Total Monthly Contribution	$1,718.06

Component budget covers removal & replacement of unit asphalt architectural shingle roofs over two years. No roof issues were reported. Per client, roof shingles have 50 year warranty. Useful life set at 40 years for unproven longer life shingles.

In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Consultants are available for the preparation of installation specifications and, if desired, to work with the contractor during the installation process. Fees for these services vary based on the size of the project and detail required by the client, and have not been included in the cost used for this component. Should the client desire, a provision for a consultant can be incorporated into this analysis.

The roof should be monitored/visually inspected twice a year: fall and early spring. Any issues/damage should be addressed immediately to avoid further damage to the roofing system and/or damage to the interior of the building. If the roofing system becomes damaged and/or leaking issues occur, the Remaining Life of the roof should be adjusted accordingly.

Sugarloaf Condominium
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Exterior - Roofs, 2

Category	020 Building Exterior	Quantity	181,500 sq. ft.
		Unit Cost	$6.25
		% of Replacement	50.00%
		Current Cost	$567,187.50
Placed In Service	01/2021	Future Cost	$2,096,331.42
Useful Life	40		
Adjustment	+1	Assigned Reserves at FYB	$0.00
Remaining Life	38	Monthly Member Contribution	$1,671.85
Replacement Year	2062	Monthly Interest Contribution	$13.72
		Total Monthly Contribution	$1,685.56

Component budget covers removal & replacement of unit asphalt architectural shingle roofs over two years. No roof issues were reported. Per client, roof shingles have 50 year warranty. Useful life set at 40 years for unproven longer life shingles.

In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Consultants are available for the preparation of installation specifications and, if desired, to work with the contractor during the installation process. Fees for these services vary based on the size of the project and detail required by the client, and have not been included in the cost used for this component. Should the client desire, a provision for a consultant can be incorporated into this analysis.

The roof should be monitored/visually inspected twice a year: fall and early spring. Any issues/damage should be addressed immediately to avoid further damage to the roofing system and/or damage to the interior of the building. If the roofing system becomes damaged and/or leaking issues occur, the Remaining Life of the roof should be adjusted accordingly.

Exterior - Siding, Vinyl, 1

Category	020 Building Exterior	Quantity	160,500 sq. ft.
		Unit Cost	$9.50
		% of Replacement	50.00%
		Current Cost	$762,375.00
Placed In Service	01/2021	Future Cost	$2,292,238.70
Useful Life	35		
		Assigned Reserves at FYB	$65,346.43
Remaining Life	32	Monthly Member Contribution	$2,421.98
Replacement Year	2056	Monthly Interest Contribution	$115.11
		Total Monthly Contribution	$2,537.10

Component budget covers replacement of vinyl siding over 2 years. Siding is comprised of double 4" vinyl clapboard in standard colors. Siding has average trim details and was in good condition at site visit.

Vinyl siding life is difficult to predict because damage over time may result in mismatching that prompts replacement for aesthetic reasons when siding is still functional. Remaining life should be adjusted in future reserve study updates.

Exterior - Siding, Vinyl, 2

Category	020 Building Exterior	Quantity	160,500 sq. ft.
		Unit Cost	$9.50
		% of Replacement	50.00%
		Current Cost	$762,375.00
Placed In Service	01/2021	Future Cost	$2,372,467.05
Useful Life	35		
Adjustment	+1	Assigned Reserves at FYB	$538.83
Remaining Life	33	Monthly Member Contribution	$2,489.97
Replacement Year	2057	Monthly Interest Contribution	$21.22
		Total Monthly Contribution	$2,511.19

Component budget covers replacement of vinyl siding over 2 years. Siding is comprised of double 4" vinyl clapboard in standard colors. Siding has average trim details and was in good condition at site visit.

Vinyl siding life is difficult to predict because damage over time may result in mismatching that prompts replacement for aesthetic reasons when siding is still functional. Remaining life should be adjusted in future reserve study updates.

Sugarloaf Condominium
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Equipment - Infrastructure Replacements

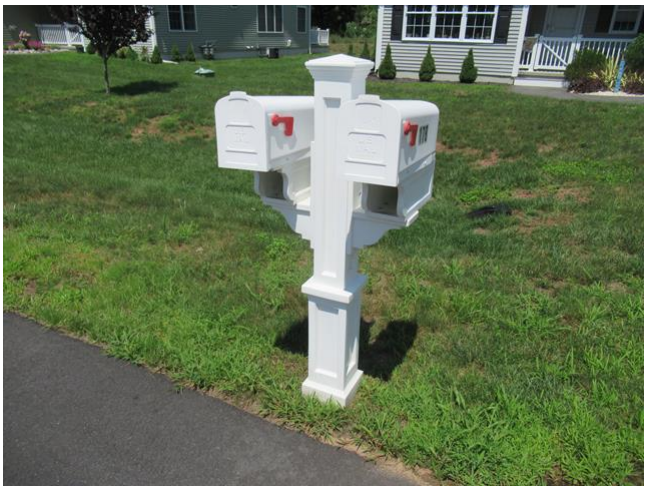
Category	060 Equipment	Quantity	1 allowance
		Unit Cost	$10,000.00
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	01/2036	Future Cost	$17,946.76
Useful Life	5		
		Assigned Reserves at FYB	$0.00
Remaining Life	17	Monthly Member Contribution	$55.93
Replacement Year	2041	Monthly Interest Contribution	$0.46
		Total Monthly Contribution	$56.39

Component budget covers periodic unexpected infrastructure repairs and replacements starting 20 years after construction. Includes storm water systems and utility infrastructure that is responsibility of association. Infrastructure repairs are generally not predictable and, therefore, not included for any specific component. Storm water system should be maintained, per approved development plans, using operating funds. Placed-in-service date specifies start of periodic partial replacement allowance cycle and does not indicate actual installation date for component. Allowance should be adjusted, based on association experience, in future reserve study updates. First instance of allowance 20 years after install date. Due to allowance starting in future, remaining life is currently greater than useful life.

Sugarloaf Condominium
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Equipment - Mailboxes

Category	060 Equipment	Quantity	1 total
		Unit Cost	$33,250.00
		% of Replacement	100.00%
		Current Cost	$33,250.00
Placed In Service	01/2021	Future Cost	$70,872.76
Useful Life	25		
		Assigned Reserves at FYB	$3,990.00
Remaining Life	22	Monthly Member Contribution	$137.19
Replacement Year	2046	Monthly Interest Contribution	$6.94
		Total Monthly Contribution	$144.13



Component budget covers dual mailboxes at each building. Mailboxes were in good condition at site visit. Several posts were leaning and should be straightened.

35 2-door mailboxes	@	$750.00	=	$26,250.00
35 installation	@	$200.00	=	$7,000.00
		TOTAL	=	$33,250.00

Sugarloaf Condominium

Component Detail Index

13 Components