Community Strategy Group
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2025 Reserve Study Report

9854 S Building LLC

Level I - Full | 9854 700 East, Sandy, UT 84070

January 15, 2026 | Fiscal Year 2025 | December 31, 2024 - December 30, 2025

A Message to 9854 S Building LLC

Dear Board Members,

Community Strategy Group is pleased to provide this Reserve Study proposal for your Association. A properly funded reserve plan is the cornerstone of responsible community management—helping boards avoid special assessments, protect property values, and plan confidently for the future.

Deferred maintenance is costly—on average, repairs delayed beyond their scheduled lifecycle cost up to six times more than timely replacements. A well-executed reserve study ensures your community stays ahead of those expenses rather than reacting to them.

We look forward to partnering with you to build a sustainable, data-driven plan that keeps your community strong for years to come.

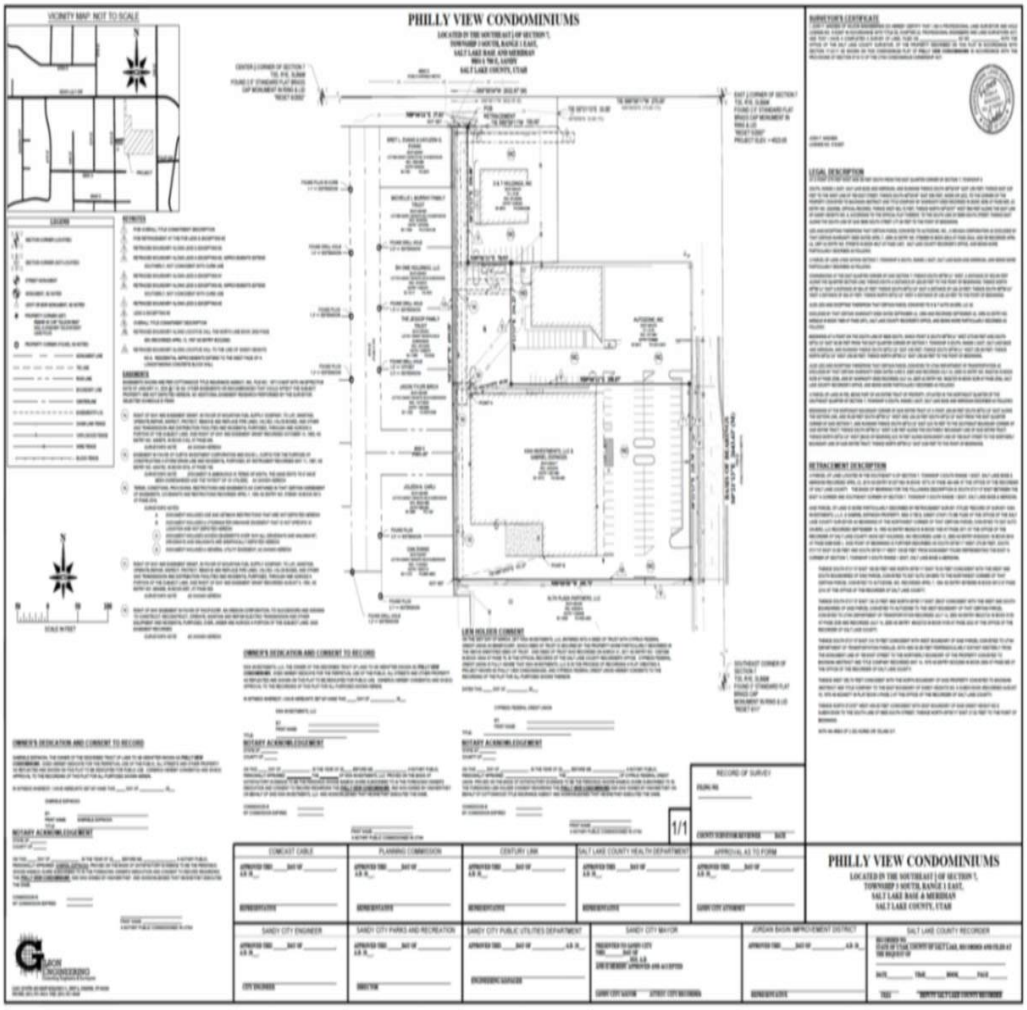
Plumbing, Electrical, Structural, and HVAC systems were inspected by an independent licensed contractor, Connect Building Services. Community Strategy Group is not liable for these findings. Report available upon request.

Sincerely,

Community Strategy Group
david@consulting-csg.com | 3854551939

9854 S Building LLC

Sandy, 84070



Date built
1995

Units
2

Report
Level I

City
Sandy

Executive Summary

The Executive Summary provides a concise snapshot of the key details and findings of this Reserve Study. It is designed to give your association's board members and stakeholders a clear understanding of the community's financial position and the steps needed to ensure long-term sustainability.

On these pages, you'll find the breakdown of the critical components that shape your reserve funding plan.

Reserve Fund Strength

Percent Funded 26%

Reserve Account Balance $100,000

Fully Funded Balance, Ideal Balance $383,396

Percent funded in reserve studies refers to the ratio of the current reserve fund balance to the Fully Funded Balance, expressed as a percentage.

Financial Assumptions

Inflation rate is based upon the average annual increase of the Consumer Price Index (CPI) over the last 30-years, as published by the US Bureau of Labor Statistics (www.labor.gov).

Inflation Rate	Projection Period
4.5%	**30 years**

Reserve Contributions

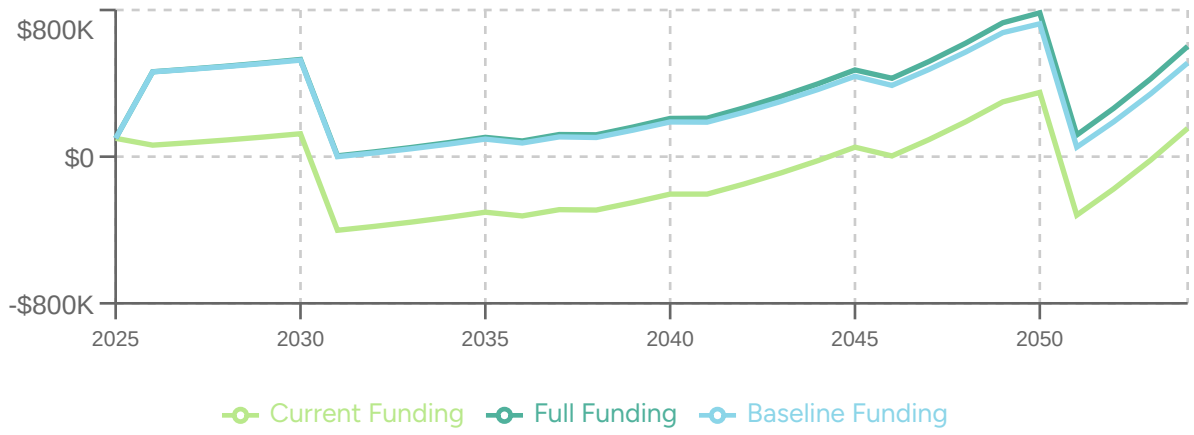
Current Funding **$12K**

Full Funding **$12.2K**

Baseline Funding **$11.6K**

We recommend that reserve contributions be evenly distributed between members over the life of a community. An ideal contribution range is provided to help establish fair and equitable reserve contributions moving forward.

Reserve Account Projection



This graph projects the reserve account balances over time under various custom funding plans, illustrating the long-term impact of different contribution strategies.

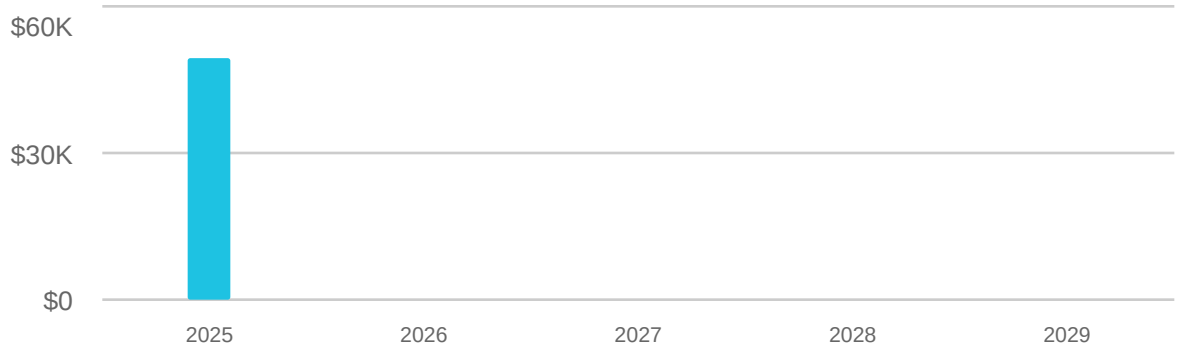
Five Year Outlook

The Five Year Outlook provides a detailed projection of your community's anticipated reserve expenditures over the next five years. This section offers a year-by-year breakdown of major component replacements and maintenance costs, enabling your association to plan ahead and allocate resources effectively.

By outlining the timing and cost of significant expenses, we help ensure your community is prepared to address it's short and long-term financial responsibilities.

Five Year Outlook

Annual reserve expenditures



This chart presents the projected annual reserve expenditures for all components over the next five years, reflecting the costs required to maintain and replace community assets.

Component Name	Category	Replacement cost
Year 2025		Total Cost $49,401
Asphalt Seal Coat	Parking Lot	**$25,865**
Painting: 2 Coats	Structure	**$23,537**
Year 2026		No Expenses
Year 2027		No Expenses
Year 2028		No Expenses
Year 2029		No Expenses

Introduction to Reserve Studies

A reserve study is a vital planning tool that helps board members and property owners ensure the long-term financial health and maintenance of their shared assets. It serves as a comprehensive roadmap for understanding the condition, lifespan, and future repair or replacement costs of a community's physical components.

By fostering proactive planning and budgeting, reserve studies protect communities from unexpected expenses and financial instability, while promoting transparency and trust among homeowners.

Key Benefits of Reserve Studies

A reserve study is a planning tool that helps property owners, association managers, and board members ensure the long-term financial health and maintenance of their shared assets. It serves as a comprehensive roadmap for understanding the condition, lifespan, and future repair or replacement costs of a community's physical components. By fostering proactive planning and budgeting, reserve studies protect communities from unexpected expenses and financial instability, while promoting transparency and trust among homeowners.

Financial Stability

By forecasting future repair and replacement costs, reserve studies help associations avoid unexpected expenses and funding shortfalls. This proactive approach reduces the need for special assessments or loans, which can place a financial burden on homeowners.

Effective Resource Allocation

Reserve studies allow associations to prioritize repairs and replacements based on the condition and urgency of each component. This ensures funds are allocated efficiently and that critical assets are maintained without unnecessary delays.

Transparency and Trust

A detailed breakdown of the reserve fund, including projected costs and funding strategies, demonstrates that the association is responsible and proactive in managing community finances. This transparency fosters trust and a sense of community among homeowners.

Property Value Protection

Well-maintained assets contribute to higher property values, marketability, and overall homeowner satisfaction. Reserve studies play a key role in ensuring that these assets remain in good condition over time.

Compliance with Standards

Many jurisdictions and governing bodies require regular reserve studies to ensure associations are adequately funded. By adhering to these standards, associations can avoid legal and regulatory issues.

Key Benefits of Reserve Studies

When undertaking a reserve study, it is essential to define goals and outcomes in an effort to maximize the report's effectiveness and ensure it delivers meaningful value to the community. Establishing specific objectives allows association managers and board members to plan more effectively for the future, ensuring that sufficient funds are available to properly maintain shared property and assets over the long term.

A successful reserve study begins with clear goals and desired outcomes. These include:

- **Condition Assessment:** Identifying the current state and remaining useful life of each component. This enables associations to plan for necessary repairs and replacements with minimal disruption.
- **Funding Analysis:** Determining whether the reserve account has sufficient funds to cover anticipated expenses. If deficiencies are identified, associations can take steps to address them through increased assessments, revised budgets, or cost-saving measures.
- **Proactive Planning:** Ensuring that the reserve fund is adequately prepared for future needs. This reduces financial stress on homeowners and prevents crises that could arise from inadequate planning.
- **Community Trust:** Demonstrating fiscal responsibility and transparency through a detailed and accessible reserve study report. This builds confidence among homeowners and promotes collaboration within the community.

Key Components of a Reserve Study

A reserve study is built on two fundamental analyses: the **Physical Analysis**and the **Financial Analysis**.These components work together to provide a comprehensive picture of a community's shared assets, and the financial strategies required to maintain them.

Physical Analysis

The physical analysis focuses on the community's tangible assets, examining their condition, lifespan, and maintenance needs. This process includes the following:

1. Component Inventory
   - Identifying all major components maintained by the association, such as roofs, HVAC systems, parking lots, elevators, pool equipment, recreational facilities, plumbing, and electrical systems.
   - Each component is evaluated to ensure it meets the criteria for inclusion, such as being part of shared property, having a predictable lifecycle, and requiring significant funds for maintenance or replacement.
2. Condition Assessment
   - Determining the current state of each component, including visible wear and tear, structural integrity, and functional performance.
   - This step often involves on-site inspections conducted by engineers, architects, reserve specialists or other qualified professionals to provide accurate and objective assessments.
3. Useful Life Evaluation
   - Estimating the remaining useful life of each component based on its age, condition, and historical performance.
   - This evaluation considers environmental factors, usage patterns, and industry standards to forecast when maintenance, repair, or replacement will be needed.
4. Cost Estimation
   - Calculating the cost of repairing or replacing each component at the appropriate time. These estimates account for inflation, market trends, labor costs, and material prices to ensure the projections are realistic.
   - Accurate cost estimation allows associations to prepare for future expenditures and allocate funds appropriately.

Financial Analysis

The financial analysis connects the physical assessment of assets to the funding strategies required to meet future obligations. It includes:

1. Reserve Fund Status Assessment
   - Evaluating the current reserve fund balance and comparing it to the anticipated costs of future repairs and replacements.
   - This step provides a snapshot of the association's financial health, highlighting any existing funding deficiencies.
2. Funding Strategy Development
   - Recommending tailored funding plans that align with the association's financial goals and regulatory requirements. Common strategies include:
   - **Full Funding:** Ensuring that the reserve fund contains 100% of the projected costs for all components at any given time.
   - **Baseline Funding:** Maintaining a reserve balance that never falls below zero while covering future obligations.
   - **Threshold Funding:** Establishing a minimum reserve fund level above zero to provide an additional safety margin.
3. Cash Flow Analysis
   - Creating a cash flow projection that outlines how reserve funds will be collected, allocated, and spent over time. This analysis helps associations manage resources efficiently and avoid cash shortages.
4. Funding Recommendations
   - Offering actionable recommendations to ensure financial stability, such as adjusting assessment rates, implementing special assessments, or revising expenditure plans.

By combining the detailed insights from the **Physical Analysis** with the strategic planning of the **Financial Analysis**, a reserve study provides associations with a clear, actionable roadmap. This enables proactive maintenance, financial stability, and a well-managed community that benefits all residents.

Component List

The Component List provides a comprehensive inventory of all shared property assets included in this Reserve Study. Each component is detailed with its useful life, remaining useful life, quantity, unit cost, and current replacement cost.

This section enables board members to understand the condition and expected expenses for maintaining or replacing these assets, forming the foundation of the reserve fund analysis and planning.

Component List

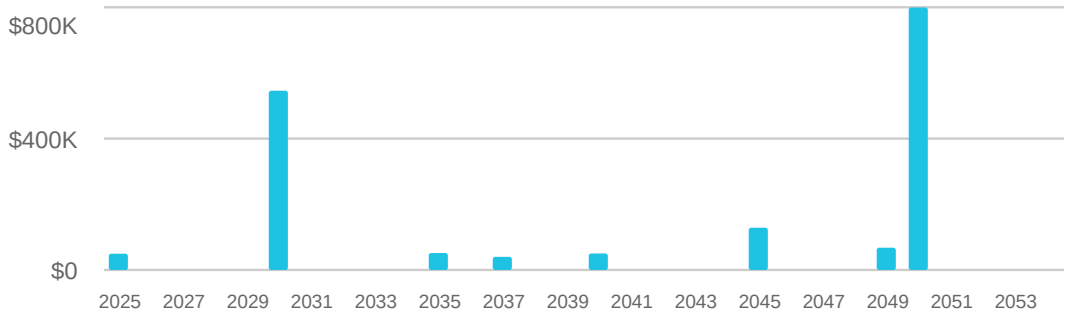
Name	UL	RUL	Quantity	Change Percent	Unit Cost	Current Cost
STRUCTURE						
Roof Replacement: TPO 60 MIL	20 years	5 years	34848 SF	100%	$6.25	$217,800
Roof Removal	20 years	5 years	34848 SF	100%	$0.64	$22,302.72
Painting: 2 Coats	12 years	0 years	16812 SF	100%	$1.4	$23,536.8
Structure	75 years	44 years	0 LF	100%	$0.00	$0.00
Electrical	75 years	44 years	0 LF	100%	$0.00	$0.00
Plumbing	75 years	44 years	0 LF	100%	$0.00	$0.00
HVAC	20 years	10 years	0 null	100%	$0.00	$0.00
PARKING LOT						
Asphalt Seal Coat	5 years	0 years	58783 .SF	100%	$0.44	$25,864.52
Asphalt Replacement	50 years	5 years	58783 SF	100%	$2.46	$144,606.18
Sidewalk	15 years	5 years	2035 SF	100%	$3.17	$6,450.95
Concrete Curbing	15 years	5 years	13 CY	100%	$251.15	$3,264.95
Loading Dock Driveway	15 years	5 years	2148 SF	100%	$8.26	$17,742.48
Cinder Block Wall	40 years	10 years	21 LF	100%	$121.57	$2,552.97
Parking Lot Lights 20'	40 years	10 years	2 Each	100%	$2,367.6	$4,735.2

Anticipated Expenditure

The Anticipated Expenditure section provides a comprehensive projection of expected costs for maintaining and replacing shared property components over a 30-year period. This section includes annual reserve expenditures broken down by components, detailing useful life, remaining useful life, and current replacement costs.

By understanding these long-term projections, board members can effectively plan contributions and ensure the financial stability of the community for decades to come.

Annual reserve expenditures



This chart shows the projected annual reserve expenditures over a 30-year period, highlighting the anticipated costs required to maintain and replace community assets. Recommendations are provided to ensure fair and equitable reserve contributions across the community's lifespan.

Component Name	Category	Replacement cost
Year 2025		Total Cost $49,401
Asphalt Seal Coat	Parking Lot	**$25,865**
Painting: 2 Coats	Structure	**$23,537**
Year 2026		No Expenses
Year 2027		No Expenses
Year 2028		No Expenses
Year 2029		No Expenses
Year 2030		Total Cost $545,867
Asphalt Seal Coat	Parking Lot	**$32,232**
Asphalt Replacement	Parking Lot	**$180,206**
Sidewalk	Parking Lot	**$8,039**
Concrete Curbing	Parking Lot	**$4,069**
Roof Replacement: TPO 60 MIL	Structure	**$271,418**
Roof Removal	Structure	**$27,793**
Loading Dock Driveway	Parking Lot	**$22,110**

Component Name	Category	Replacement cost
Year 2031		No Expenses
Year 2032		No Expenses
Year 2033		No Expenses
Year 2034		No Expenses
Year 2035		Total Cost $51,485
Asphalt Seal Coat	Parking Lot	**$40,167**
Cinder Block Wall	Parking Lot	**$3,965**
Parking Lot Lights 20'	Parking Lot	**$7,354**
HVAC	Structure	**$0**
Year 2036		No Expenses
Year 2037		Total Cost $39,916
Painting: 2 Coats	Structure	**$39,916**
Year 2038		No Expenses
Year 2039		No Expenses
Year 2040		Total Cost $50,055
Asphalt Seal Coat	Parking Lot	**$50,055**
Year 2041		No Expenses
Year 2042		No Expenses
Year 2043		No Expenses
Year 2044		No Expenses

Component Name	Category	Replacement cost
Year 2045		Total Cost $128,600
Asphalt Seal Coat	Parking Lot	**$62,378**
Sidewalk	Parking Lot	**$15,558**
Concrete Curbing	Parking Lot	**$7,874**
Loading Dock Driveway	Parking Lot	**$42,790**
Year 2046		No Expenses
Year 2047		No Expenses
Year 2048		No Expenses
Year 2049		Total Cost $67,692
Painting: 2 Coats	Structure	**$67,692**
Year 2050		Total Cost $799,347
Asphalt Seal Coat	Parking Lot	**$77,734**
Roof Replacement: TPO 60 MIL	Structure	**$654,584**
Roof Removal	Structure	**$67,029**
Year 2051		No Expenses
Year 2052		No Expenses
Year 2053		No Expenses
Year 2054		No Expenses

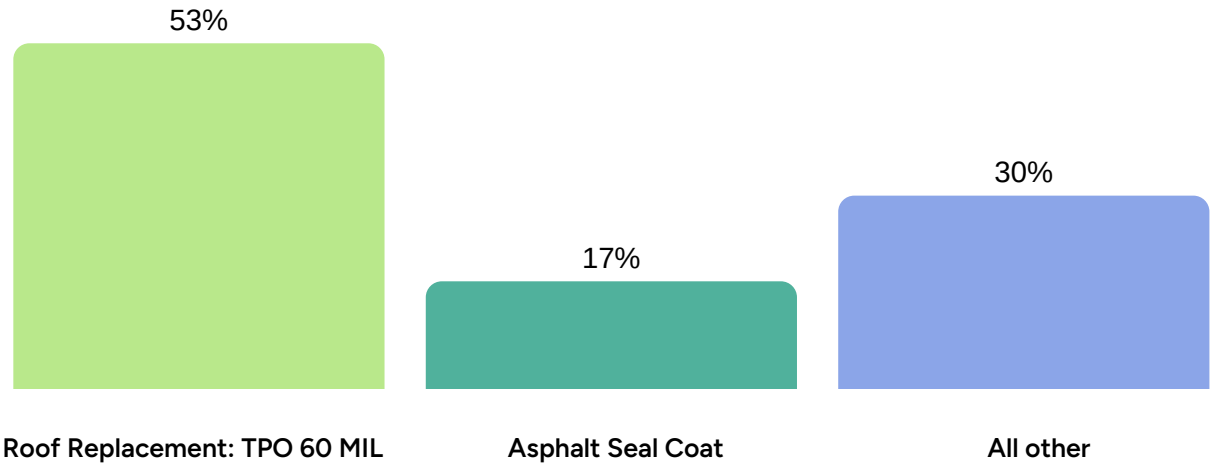
Reserve Expenses

The Anticipated Expenditure section provides a comprehensive projection of expected costs for maintaining and replacing shared property components over a 30-year period. This section includes annual reserve expenditures broken down by components, detailing useful life, remaining useful life, and current replacement costs.

By understanding these long-term projections, board members can effectively plan contributions and ensure the financial stability of the community for decades to come.

Reserve Expenses Summary

Major Expenses



Asphalt Seal Coat	$288,430
Roof Replacement: TPO 60 MIL	$926,002

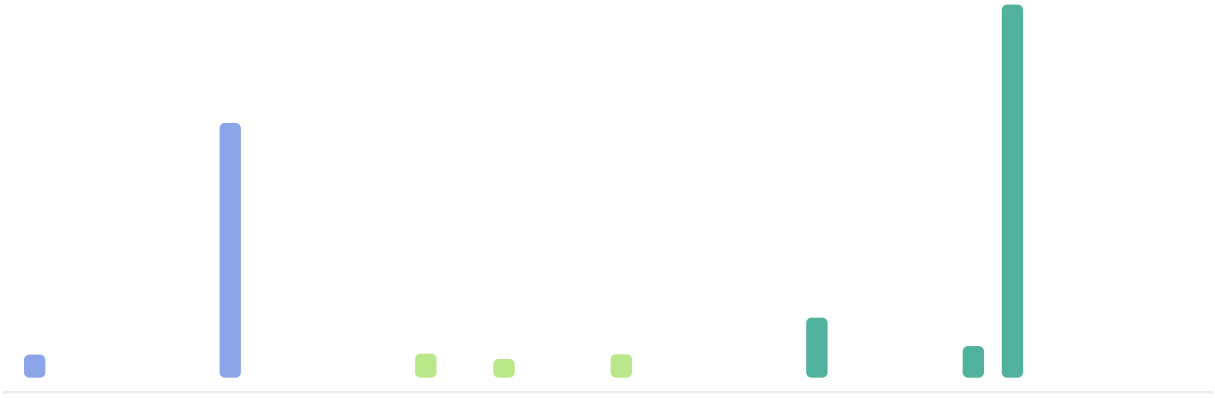
Breakdown is based upon the average annual cost of the reserve component and serves to highlight the significance of the association's two largest expenses.

Expense Category Breakdown

Category		Amount/Share
Roof Replacement: TPO 60 MIL	$926,002	53%
Asphalt Seal Coat	$288,430	17%
All Other	$517,931	30%

Reserve Account

Total Expenses over 30 years	**$1,732,363**
Average Annual Expense over 30 years	**$57,745**



Expenditures for major reserve components are outlined in greater details within the report. We recommend that the report is read in its entirety in order to understand how conclusions and results have been formulated.

Expense Outlook

Year 1-10, Short-term expenses	**$595,269**
Year 11-20, Mid-term expenses	**$141,456**
Year 21-30, Long-term expenses	**$995,639**

The timing and significance of expenses will help the association in establishing investment windows and timelines for adequately saving for anticipated expenses.

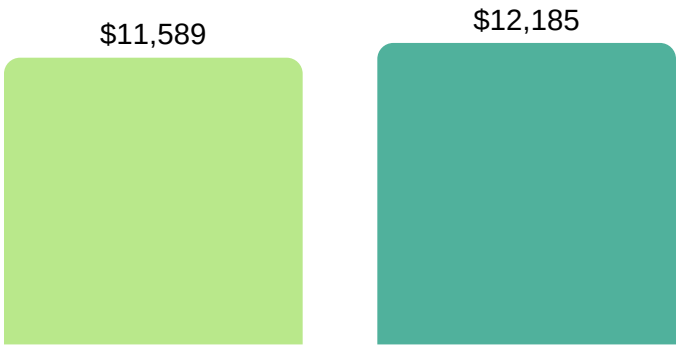
Funding Summary

The Funding Summary provides an analysis of your community's reserve fund balance, highlighting current contributions, minimum funding levels, and the target for full funding. This section includes the current balance, the fully funded balance, and the percent funded, offering a clear picture of the community's financial health.

By understanding these funding benchmarks, board members can evaluate the adequacy of reserve contributions and take proactive steps to meet the long-term needs of the association.

Funding Summary

How much should you contribute to reserves?



We recommend that reserve contributions be evenly distributed between members over the life of a community. An ideal contribution range is provided to help establish fair and equitable reserve contributions moving forward. Any special assessments planned or otherwise factored into the reserve study, are in addition to the contribution amounts above.

How well funded are you?

Percent Funded	26%

Current Balance	$100,000
Fully Funded Target Balance	$383,396

Percent funded in reserve studies refers to the ratio of the current reserve fund balance to the Fully Funded Balance, expressed as a percentage.

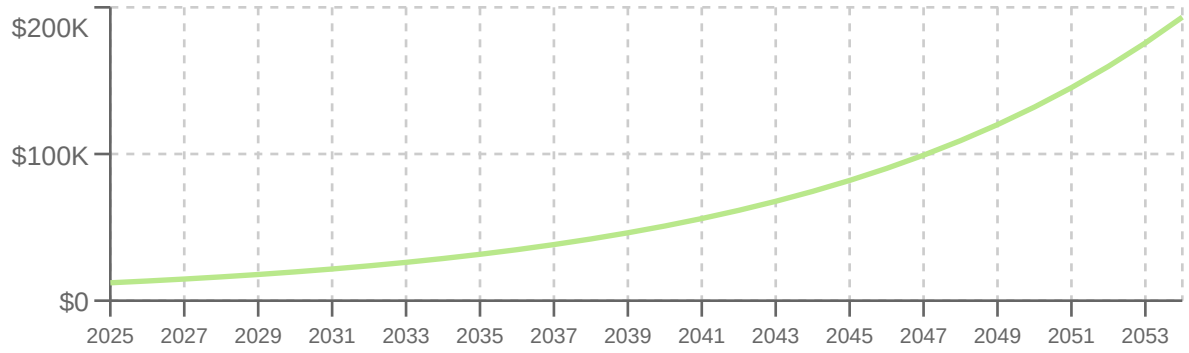
Funding Models

The Funding Models section explores multiple strategies for reserve fund contributions, including Baseline Funding, Fully Funded models, and any Custom Funding Plans created for your community. Each model outlines projected balances, contributions, expenses, and funding levels over the 30-year study period.

By comparing these scenarios, board members can assess the financial implications of each approach and select a plan that best meets the community's long-term needs while maintaining financial stability.

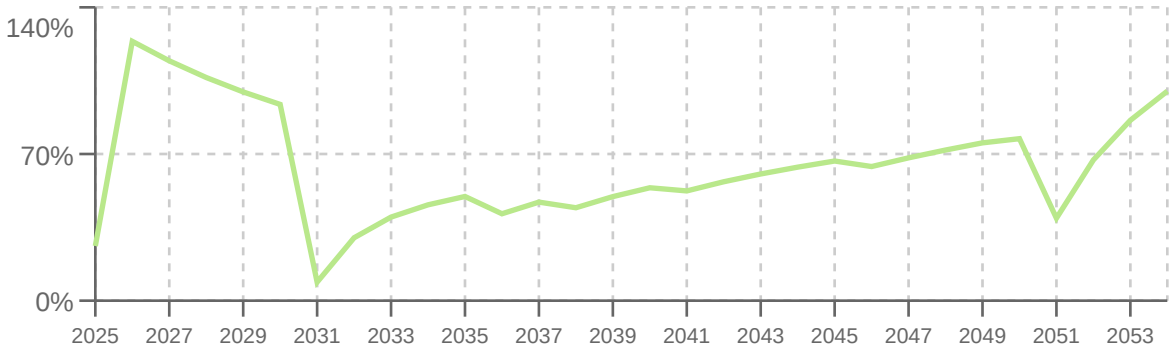
Full Funding

Contribution Amount



This graph projects the reserve account balances over time under various custom funding plans, illustrating the long-term impact of different contribution strategies.

Percentage Funded



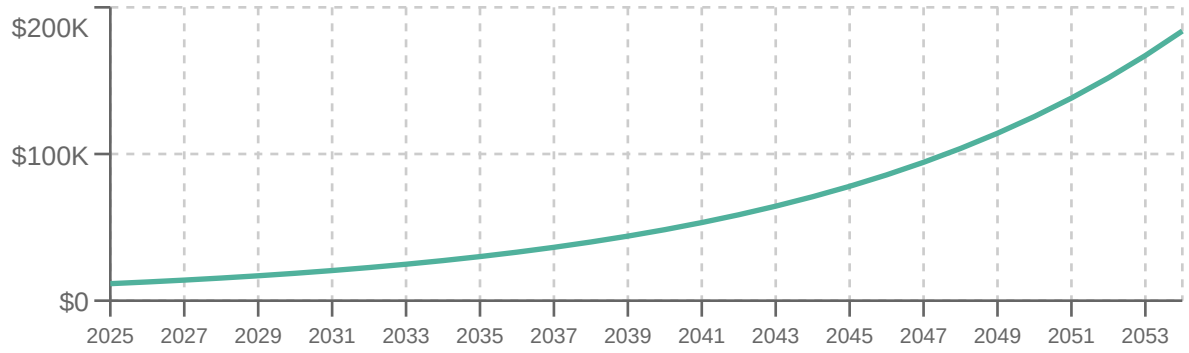
This graph projects the reserve account balances over time under various custom funding plans, illustrating the long-term impact of different contribution strategies.

Full Funding

Fiscal Year	Percentage Funded	Fully Funded Balance	Starting Balance	Contribution Amount	Special Assessment	Interest Earned	Reserve Expenses
2025	26%	$383,396	$100,000	$12,185	$399,066	$1,202.52	$49,401
2026	124%	$374,150	$463,053	$13,404	$0	$1,175.73	$0
2027	114%	$417,244	$477,632	$14,744	$0	$1,213.9	$0
2028	107%	$463,459	$493,590	$16,218	$0	$1,255.69	$0
2029	100%	$512,988	$511,064	$17,840	$0	$1,301.45	$0
2030	94%	$566,036	$530,205	$19,624	$0	$668.47	$545,867
2031	9%	$52,388	$4,630	$21,587	$0	$38.6	$0
2032	30%	$87,466	$26,256	$23,745	$0	$95.43	$0
2033	40%	$125,596	$50,096	$26,120	$0	$158.07	$0
2034	46%	$166,980	$76,374	$28,732	$0	$227.11	$0
2035	50%	$211,834	$105,333	$31,605	$0	$238.75	$51,485
2036	41%	$206,585	$85,691	$34,765	$0	$257.98	$0
2037	47%	$256,658	$120,714	$38,242	$0	$300.04	$39,916
2038	44%	$269,107	$119,341	$42,066	$0	$351.34	$0
2039	50%	$325,745	$161,758	$46,273	$0	$462.77	$0
2040	54%	$386,936	$208,493	$50,900	$0	$522.89	$50,055
2041	52%	$400,667	$209,861	$55,990	$0	$595.32	$0
2042	57%	$469,512	$266,446	$61,589	$0	$743.95	$0
2043	60%	$543,742	$328,779	$67,748	$0	$907.67	$0
2044	64%	$623,701	$397,434	$74,523	$0	$1,087.99	$0
2045	67%	$709,755	$473,045	$81,975	$0	$1,125.62	$128,600
2046	64%	$667,905	$427,546	$90,172	$0	$1,182.93	$0
2047	68%	$761,286	$518,901	$99,189	$0	$1,422.87	$0
2048	72%	$861,717	$619,513	$109,108	$0	$1,687.1	$0
2049	75%	$969,646	$730,309	$120,019	$0	$1,893.35	$67,692
2050	77%	$1,014,806	$784,529	$132,021	$0	$1,128.46	$799,347
2051	39%	$300,670	$118,332	$145,223	$0	$477.91	$0
2052	67%	$393,114	$264,033	$159,746	$0	$860.75	$0
2053	86%	$493,269	$424,639	$175,720	$0	$1,282.72	$0
2054	100%	$601,642	$601,642	$193,292	$0	$1,747.72	$0

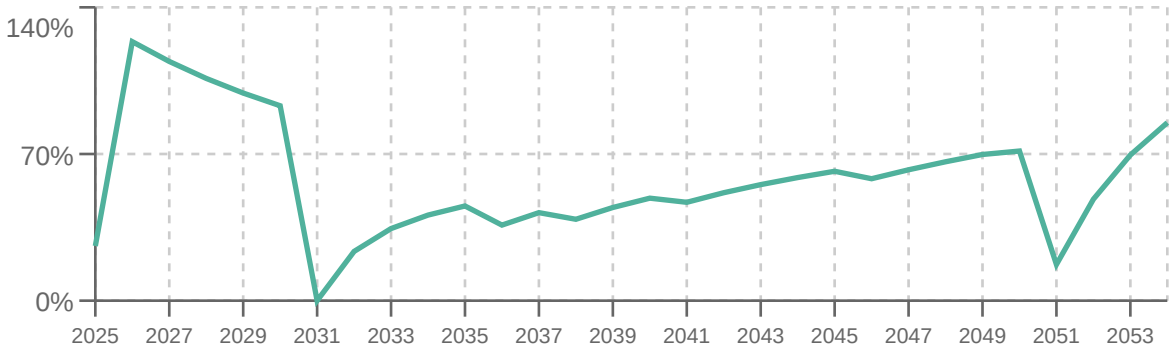
Baseline Funding

Contribution Amount



This graph projects the reserve account balances over time under various custom funding plans, illustrating the long-term impact of different contribution strategies.

Percentage Funded



This graph projects the reserve account balances over time under various custom funding plans, illustrating the long-term impact of different contribution strategies.

Baseline Funding

Fiscal Year	Percentage Funded	Fully Funded Balance	Starting Balance	Contribution Amount	Special Assessment	Interest Earned	Reserve Expenses
2025	26%	$383,396	$100,000	$11,589	$399,066	$1,201.78	$49,401
2026	124%	$374,150	$462,456	$12,748	$0	$1,173.42	$0
2027	114%	$417,244	$476,377	$14,023	$0	$1,209.86	$0
2028	106%	$463,459	$491,610	$15,425	$0	$1,249.74	$0
2029	99%	$512,988	$508,284	$16,967	$0	$1,293.4	$0
2030	93%	$566,036	$526,545	$18,664	$0	$658.11	$545,867
2031	0%	$52,388	$0.00	$20,531	$0	$25.69	$0
2032	24%	$87,466	$20,556	$22,584	$0	$79.71	$0
2033	34%	$125,596	$43,220	$24,842	$0	$139.26	$0
2034	41%	$166,980	$68,201	$27,326	$0	$204.89	$0
2035	45%	$211,834	$95,732	$30,059	$0	$212.79	$51,485
2036	36%	$206,585	$74,518	$33,065	$0	$227.89	$0
2037	42%	$256,658	$107,811	$36,371	$0	$265.4	$39,916
2038	39%	$269,107	$104,532	$40,008	$0	$311.7	$0
2039	44%	$325,745	$144,852	$44,009	$0	$417.62	$0
2040	49%	$386,936	$189,279	$48,410	$0	$471.68	$50,055
2041	47%	$400,667	$188,105	$53,251	$0	$537.44	$0
2042	52%	$469,512	$241,894	$58,576	$0	$678.73	$0
2043	55%	$543,742	$301,149	$64,434	$0	$834.37	$0
2044	59%	$623,701	$366,417	$70,877	$0	$1,005.79	$0
2045	62%	$709,755	$438,300	$77,965	$0	$1,033.64	$128,600
2046	58%	$667,905	$388,698	$85,761	$0	$1,080.18	$0
2047	62%	$761,286	$475,540	$94,337	$0	$1,308.27	$0
2048	66%	$861,717	$571,186	$103,771	$0	$1,559.46	$0
2049	70%	$969,646	$676,516	$114,148	$0	$1,751.37	$67,692
2050	71%	$1,014,806	$724,724	$125,563	$0	$970.69	$799,347
2051	17%	$300,670	$51,910	$138,119	$0	$302.77	$0
2052	48%	$393,114	$190,333	$151,931	$0	$666.51	$0
2053	70%	$493,269	$342,930	$167,125	$0	$1,067.45	$0
2054	85%	$601,642	$511,122	$183,837	$0	$1,509.33	$0

Reserve Component Analysis

The Reserve Component Inventory provides a detailed breakdown of all components assessed during the site visit. This section includes images, descriptions, and key data such as useful life, remaining useful life, quantity, and current replacement costs for each component.

By offering a visual and data-driven overview, this inventory enables board members to understand the scope of assets under management and the financial requirements for their maintenance and replacement.

Reserve Component Inventory

Date of Field Observations and Site Visit: November 6, 2025

On-Site Observation

When on-site our team conducts a representative sampling of common areas instead of inspecting every single area. This approach is designed to efficiently cover a broad range of components while ensuring that our observations are representative of the overall condition of the property. The samplings were chosen based on a stratified approach, ensuring a diverse and comprehensive representation of various property areas, including both high-traffic and less frequently used spaces.

We employed satellite and direct field measurements for a portion of the common areas. These methods provided us with precise data on the dimensions and current state of these spaces. In some instances, drawing takeoffs were utilized, particularly for areas where satellite or direct measurement was impractical or where existing architectural plans provided sufficient accuracy.

We collected photographic evidence dur on-site visits to support our findings and provide visual documentation of the property's condition. It is important to note that our observations were limited to visible and accessible areas. Components that were not accessible during our visit or required invasive methods for assessment were not included in this study. Where possible, we consulted with specialized experts, particularly for complex systems to ensure a thorough and accurate assessment.

Structure

Roof Replacement: TPO 60 MIL

Cost: **$217,800**

Quantity: **34848 SF**

Useful Life: **20 years**

Next replacement in: **5 year**

Replacement timeline: 1. 2030 2. 2050

Does not include flashings or crane work if HVAC removal is required.

Structure

Roof Removal

Cost: **$22,302.72**

Quantity: **34848 SF**

Useful Life: **20 years**

Next replacement in: **5 year**

Replacement timeline: 1. 2030 2. 2050

Structure

Painting: 2 Coats

Cost: **$23,536.8**

Quantity: **16812 SF**

Useful Life: **12 years**

Next replacement in: **0 year**

Replacement timeline:

1. 2025 | 2. 2037 | 3. 2049

Includes two coats of masonry paint and pressure washing. Does not include scraping, sanding, removal of paint, or sealing existing cracks.

Structure

Structure

Cost: **$0.00**

Quantity: **0 LF**

Useful Life: **75 years**

Next replacement in: **44 year**

Replacement timeline:

Structural - as a licensed B100 general contractor in the state of Utah. These are the results of the inspection performed on the subject property. Subject Building is approx 3 1 years old and constructed to code for that time. The building is in good condition for the age and type o f construction, that being concrete block construction with wood trusses and 6" square steel column. There are no observable structural defects presented at this time. No cracks in exterior walls that are a cause of concern. No signs
of footing foundation settling or damage. Price estimate not available at this time due to lack of knowledge on amount of materials needed.

Structure

Electrical

Cost: **$0.00**

Quantity: **0 LF**

Useful Life: **75 years**

Next replacement in: **44 year**

Replacement timeline:

Electrical - a s a licensed E100 general contractor in the state of Utah. These are the results o f the inspection of the electrical system on the subject property. Subject building was originally constructed to serve as a grocery store so the existing electrical service and distribution system is more than adequate for the current use of the
building. Typical electrical equipment has an effective life expectancy of 50 - 100 years depending on use and conditions.

Price estimate not available at this time due to lack of knowledge on amount of materials needed.

Structure

Plumbing

Cost: **$0.00**

Quantity: **0 LF**

Useful Life: **75 years**

Next replacement in: **44 year**

Replacement timeline:

Plumbing- As a P200 General Contractor in the state of Utah. These are the results of the Plumbing inspection performed on the subject property. The plumbing system is original to the building and in good working order at the time of the inspection. The water service is a 2" copper service. The sanitary sewer i s a 4" ABS mainline system with 4" SDS sewer line that leaves the building o n the north side o f the building and goes out to the sewer main in the middle of Sego lilly (10000 S.) to the north of the property. The effective life of a 2" copper water main is 5 0 - 100 years depending on use and soil conditions. The effective lig o f 4 : ABS plastic pipe i s 50 - 10 years depending o n use and soil conditions. The Gas line i s a 2 lbs. Black Iron Pipe system that has no leaks at the time o f the inspection and the effective life o f Black Iron Pipe is 50 - 100 years depending on use and conditions.

Price estimate not available at this time due to lack of knowledge on amount of materials needed.

Structure

HVAC

Cost: $0.00

Quantity: 0 null

Useful Life: 20 years

Next replacement in: 10 year

Replacement timeline: 1. 2035 2. 2055

Mechanical HVAC Systems - A s a licensed S350 general contractor in the state of Utah. These are the results of the Mechanical/HVAC inspection performed on the subject property. Ducting systems are original and have been modified to suit the current use of the building. All RTU units are found t o be operating and normal i n both heating and cooling modes. The following is a fist of the Make, age, and size of the (11) each total RTU's on the subject building.

Unit # 1 = Bryant 1997 8 ton RTU
Unit #2 = Bryant 19978 ton RTU
Unit # 3= Bryant 2014 8 ton RTU
Unit # 4 = Brant 2006 8 ton RTU
Unit # 5 = Carrier 2014 8 ton RTU
Unit # 6 = Carrier 2014 8 ton RTU
Unit # 7 = Bryant 1997 8 ton RTU
Unit # 8 = York 2025 8 ton RTU
Unit #9 = Bryant 1997 5 ton RTU
Unit # 10 = Carrier 2014 8 ton RTU
Unit # 11 = Carrier 2019 6 ton RTU

Parking Lot

Asphalt Seal Coat

Cost: $25,864.52

Quantity: 58783 .SF

Useful Life: 5 years

Next replacement in: 0 year

Replacement timeline: 1. 2025 2. 2030 3. 2035 4. 2040 5. 2045 6. 2050 7. 2055

Parking Lot

Asphalt Replacement

Cost: **$144,606.18**

Quantity: **58783 SF**

Useful Life: **50 years**

Next replacement in: **5 year**

Replacement timeline: 1. 2030

Includes 6" of Road Base and compaction.

Parking Lot

Sidewalk

Cost: **$6,450.95**

Quantity: **2035 SF**

Useful Life: **15 years**

Next replacement in: **5 year**

Replacement timeline: 1. 2030 2. 2045

4" pour included. Does not include demolition.

Parking Lot

Concrete Curbing

Cost: **$3,264.95**
Quantity: **13 CY**
Useful Life: **15 years**
Next replacement in: **5 year**
Replacement timeline: 1. 2030 2. 2045

Parking Lot

Loading Dock Driveway

Cost: **$17,742.48**
Quantity: **2148 SF**
Useful Life: **15 years**
Next replacement in: **5 year**
Replacement timeline: 1. 2030 2. 2045



Parking Lot

Cinder Block Wall

Cost: **$2,552.97**
Quantity: **21 LF**
Useful Life: **40 years**
Next replacement in: **10 year**
Replacement timeline: 1. 2035

Parking Lot

Parking Lot Lights 20'

Cost: **$4,735.2**

Quantity: **2 Each**

Useful Life: **40 years**

Next replacement in: **10 year**

Replacement timeline: 1. 2035

Disclosure

This section outlines important information regarding the scope, methodology, and limitations of this reserve study. The disclosures contained herein are designed to provide transparency about the assumptions, professional judgments, and potential limitations that inform our analysis and recommendations.

Disclosure

General

As a guideline for establishing and spending reserves, it is assumed that the reserve study will be regularly updated to address the Association's changing physical and financial circumstances. As such this report is valid at the date shown and Community Strategy Group cannot be held responsible for subsequent changes in physical/chemical environmental conditions and/or legislation over which we have no control.

This reserve study is based on visual inspections of the physical plant's major components. No invasive or destructive testing, or testing of materials was conducted during the inspections, or at any other time during the preparation of this report. It is assumed that all building and ancillary components have been designed and constructed properly and that life cycles will approximate normal industry performance standards. Community Strategy Group shall not be responsible for accurate determination of remaining life expediencies of components that may have been improperly designed and constructed. Our opinions of the remaining life expectancy of the property's components do not represent a guarantee or warranty of performance in relation to the product, materials or workmanship.

Cost estimates used represent a preliminary opinion only and are neither a quote nor a warranty of actual costs that may be incurred. These estimates are based on typical cost data that may not fully characterize the scope of the underlying property conditions. It should be anticipated that actual cost outcomes will be impacted by varying physical and economic conditions, maintenance practices, changes in technology, and future regulatory actions.

The authors of this report make no representation or warranty, expressed or implied, with respect to the contents of this publication or any part thereof and cannot accept any legal responsibility or liability for any inaccuracies, errors or omissions contained in this publication or any part thereof. Our best professional judgment has been used, however certain facts forming the basis of this report are subject to professional interpretation and differing conclusions could be reached.

The accuracy of the reserve study is also dependent on the accuracy and completeness of the information provided to the Reserve Specialist. The Reserve Specialist shall not be liable for inaccuracies in the reserve study attributable to incomplete or incorrect information provided to its representatives. Material issues which, if not disclosed, would cause a distortion of the association's situation.

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement. All our reserve studies are prepared by or under the direct supervision of a Reserve Professional.

Community Strategy Group has been engaged to conduct a reserve study which includes both physical analysis and financial analysis of the common area components and reserves. Community Strategy Group shall incur no civil liability for any claims, losses, damages, or expenses related to the performance of the physical or financial portions of the reserve study. In any situation or matter related to this Reserve Study, the liability of Community Strategy Group is limited to the fees charged for the services provided.

All reserve study updates are based, in part, on information obtained from the most recent reserve study conducted prior to this assessment. The accuracy and completeness of the current reserve study are significantly influenced by the accuracy and thoroughness of the last reserve study. For update with site visit and update with no site visit levels of service the client is considered to have deemed previously developed component lists and quantities as accurate and reliable.

Term Definition

The Terms Definition section provides essential transparency and clarity for understanding the Reserve Study. It outlines the assumptions, methodologies, and limitations under which the study was conducted, including the reliance on visual inspections and typical cost data, without invasive testing or guarantees for future performance.

Term Definition

Adequate Reserves

A replacement reserve fund and stable and equitable multiyear funding plan that together provide for the reliable and timely execution of the association's major repair and replacement projects as defined herein without reliance on additional supplemental funding.

Capital Improvements

Additions to the association's common area that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction or installation cannot be taken from the reserve fund.

Cash Flow Method (ALSO KNOWN AS POOLING)

A method of developing a reserve funding plan where funding of reserves is designed to offset the annual expenditures from the reserve fund. To determine the selected funding plan, different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Common Area

The areas identified in the community association's master deed or declarations ofcovenant easements and restrictions that the association is obligated to maintain and replace or based on a well-established association precedent.

Community Association

A nonprofit entity that exists to preserve the nature of the community and protect the value of the property owned by members. Membership in the community association is mandatory and automatic for all owners. All owners pay mandatory lien-based assessments that fund the operation of the association and maintain the common area or elements, as defined in the governing documents. The community association is served and lead by an elected board of trustees or directors.

Components

The individually listed projects within the physical analysis which are determined for inclusion using the process described within the component inventory. These components form the building blocks for the reserve study. Components are selected to be included in the reserve study based on the following three-part test:

1. Inclusion of long-life components with funding in the study.
2. Addition of long-life components with funding at the time when they fall within the 30-year period from the date of study preparation.
3. Identification of long-life components in the component inventory even when they are not yet being funded in the 30-year funding plan.

Component Method (ALSO KNOWN AS STRAIGHT LINE)

The Component Method calculates reserve requirements on an individual component basis. Existing reserve funds are allocated to individual components based on their Fully Funded Balance. Each component's annual contribution is determined by taking its unfunded balance (current replacement cost minus allocated reserves) and dividing by its remaining useful life. These calculations are then summed to yield the total recommended reserve funding rate. This method is based on current costs and conditions without incorporating investment returns, or excess cash flow considerations.

Condition Assessment

The task of evaluating the current condition of the component based on observed or reported characteristics. The assessment is limited to a visual, non-invasive evaluation.

Effective Age

The difference between useful life and estimated remaining useful life. Not always equivalent to chronological age since some components age irregularly. Used primarily in computations.

Financial Analysis

The portion of a reserve study in which the current status of the reserves (measured as cash or percent funded) and a recommended reserve funding plan are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study. A minimum of 30 years of income and expense are to be considered.

Fully Funded

100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

Fully Funded Balance (FFB)

An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total. \n FFB = Current Cost X Effective Age/Useful Life

- Example: For a component with a $10,000 current replacement cost, a 10-year useful life, and effective age of 4 years, the fully funded balance would be $4,000.

Fund Status

The status of the reserve fund reported in terms of cash or percent funded.

Funding Goals

The three funding goals listed below range from the most aggressive to most conservative:

Baseline Funding

Establishing a reserve funding goal of allowing the reserve cash balance to approach but never fall below zero during the cash flow projection. This is the funding goal with the greatest risk of being prepared to fund future repair and replacement of major components, and it is not recommended as a long-term solution/plan. Baseline funding may lead to project delays, the need for a special assessment, and/or a line of credit for the community to fund needed repairs and replacement of major components.

Threshold Funding

Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “fully funded” with respective higher risk or less risk of cash problems. In determining the threshold, many variables should be considered, including things such as investment risk tolerance, community age, building type, components that are not readily inspected, and components with a remaining useful life of more than 30 years.

Full Funding

Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. Fully funded is when the actual or projected reserve balance is equal to the fully funded balance. It should be noted that, in certain jurisdictions, there may be statutory funding requirements that would dictate the funding requirements. In all cases, these standards are considered the minimum to be referenced.

Funding Plan

An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of 30 years of projected income and expenses.

Funding Principles

A funding plan addressing these principles. These funding principles are the basis for the recommendations included within the reserve study:

- Sufficient funds when required.
- Stable funding rate over the years.
- Equitable funding rate over the years.
- Fiscally responsible.

Initial Year

The first fiscal year in the financial analysis or funding plan.

Life Estimates

The task of estimating useful life and remaining useful life of the reserve components.

Life Cycle Cost

The ongoing cost of deterioration which must be offset in order to maintain and replace common area components at the end of their useful life. Note that the cost of preventive maintenance and corrective maintenance determined through periodic structural inspections (if required) are included in the calculation of life cycle costs and often result in overall net lower life cycle costs.

Maintenance

Maintenance is the process of maintaining or preserving something, or the state of being maintained. Maintenance is often defined in three ways: preventive maintenance, corrective maintenance, and deferred maintenance. Maintenance projects commonly fall short of “replacement” but may pass the defining test of a reserve component and be appropriate for reserve funding.

Preventive Maintenance

Planned maintenance carried out proactively at predetermined intervals, aimed at reducing the performance degradation of the component such that it can attain, at minimum, its estimated useful life.

Deferred Maintenance

Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance.
This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.

Corrective Maintenance

Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced.
Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.

Percent Funded

The ratio, at a particular point in time clearly identified as either the beginning or end of the association's fiscal year, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.
While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan, in light of the association's risk tolerance and is not by itself a measure of “adequacy.”

Periodic Structural Inspection.

Structural system inspections aimed at identifying issues when they become evident.
Additional information and recommendations are included within the Condominium Safety Public Policy Report.
www.condosafety.com

Physical Evaluation

The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve stud

Preventive Maintenance Schedule

A summary of the preventive maintenance tasks included within a maintenance manual which should be performed such that the useful lives of the components are attained or exceeded. This schedule should include both the timing and the estimated cost of the task(s).

Remaining Useful Life (RUL)

Also referred to as “remaining life” (RL). The estimated time, in years, that a component can be expected to serve its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have zero remaining useful life.

Replacement Cost

The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, design, permits, installation, disposal, etc.).

Reserve Balance

Actual or projected funds, clearly identified as existing either at the beginning or end of the association's fiscal year, which will be used to fund reserve component expenditures. The source of this information should be disclosed within the reserve study.

Also known as beginning balance, reserves, reserve accounts, or cash reserves. This balance is based on information provided and not audited.

Reserve Study

A reserve study is a budget planning tool which identifies the components that a community association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures.

This limited evaluation is conducted for budget and cash flow purposes. Tasks outside the scope of a reserve study include, but are not limited to, design review, construction evaluation, intrusive or destructive testing, preventive maintenance plans, and structural or safety evaluations.

Reserve Study Provider

An individual who prepares reserve studies. In many instances, the reserve study provider will possess a specialized designation such as the Reserve Specialist. (RS) designation administered by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards. In some instances, qualifications in excess of the RS designation will be required if supplemental subject matter expertise is required.

Reserve Study Provider Firm

A company that prepares reserve studies as one of its primary business activities.

Site Visit

A visual assessment of the accessible areas of the components included within the reserve study.

The site visit includes tasks such as, but not limited to, on-site visual observations, a review of the association's design and governing documents, review of association precedents, and discussion with appropriate representative(s) of the association.

Special Assessment

A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

Special assessments, when used to make up for unplanned reserve fund shortfalls, may be an indicator of deferred maintenance, improper reserve project planning, and unforeseen catastrophes and accidents, as well as other surprises.

Structural System

The structural components within a building that, by contiguous interconnection, form a path by which external and internal forces, applied to the building, are delivered to the ground. This is generally a combination of structural beams, columns, and bracing and is not included within the reserve study, although it is reviewed as part of the recommended periodic structural inspections.

It is important to recognize that individual structural components which are not a part of the structural system, such as decks, balconies, and podium deck components may be included for reserve funding if they otherwise satisfy the three-part test.

Responsible Charge

A Reserve Specialist (RS) in responsible charge of a reserve study shall render regular and effective supervision to those individuals' performing services that directly and materially affect the quality and competence of services rendered by the Reserve Specialist. A Reserve Specialist shall maintain such records as are reasonably necessary to establish that the Reserve Specialist exercised regular and effective supervision of a reserve study of which he or she was in responsible charge. A Reserve Specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review; and
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

Useful Life (UL)

The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed presuming proactive, planned, preventive maintenance.

Best practice is that a component's Useful Life should reflect the actual preventive maintenance being performed (or not performed).

Valuation Estimates

The task of estimating the current repair or replacement costs for the reserve components.

*Terms and definitions from the 2023 Community Association Institutes Reserve Study Standards.

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Thank You