Reserve Study Executive Summary — With-Site-Visit

Terrace Falls COA — Report #: **35308-4**

Salt Lake City, UT — # of Units: 80

Level of Service: **Update "With-Site-Visit"** — **January 1, 2024** through **December 31, 2024**

Findings & Recommendations — as of January 1, 2024

Starting Reserve Balance	**$241,080**
Fully Funded Reserve Balance	**$1,476,462**
Annual Rate (Cost) of Deterioration	**$157,149**
Percent Funded	**16.3 %**
Recommended 2024 Annual "Fully Funding" Contributions	**$220,000**
Alternate/Baseline Annual Minimum Contributions to Keep Reserves Above $0	**$193,000**
Recommended 2024 Special Assessments for Reserves	**$0**
Most Recent Annual Reserve Contribution Rate	**$118,000**

Reserve Fund Strength: 16.3%

Weak	Fair	Strong	
< 30%	< 70%		> 130%
X			
High	Medium	Low	

Risk of Special Assessment: High

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves . . . . **1.00 %**

Annual Inflation Rate . . . . **3.00 %**

• This Update "With-Site-Visit", is based on a prior Reserve Study for your 2019 Fiscal Year. We performed the site inspection on 5/16/2023.
• The Reserve Study was reviewed by a credentialed Reserve Specialist (RS).
• Your Reserve Fund is currently 16.3 % Funded. This means the client's special assessment & deferred maintenance risk is currently High.
• Based on this starting point and your anticipated future expenses, our recommendation is to budget the Annual Reserve contributions at $220,000 with 3% annual increases in order to be within the 70% to 130% level as noted above. 100% "Full" contribution rates are designed to achieve these funding objectives by the end of our 30-year report scope.
• The goal of the Reserve Study is to help the client offset inevitable annual deterioration of the common area components. The Reserve Study will guide the client to establish an appropriate Reserve Contribution rate that offsets the annual deterioration of the components and 'keep pace' with the rate of ongoing deterioration. No assets appropriate for Reserve designation were excluded. See appendix for component details; the basis of our assumptions.
• We recommend that this Reserve Study be updated annually, with a With-Site-Visit Reserve Study every three years. Clients that update their Reserve Study annually with a No-Site-Visit Reserve Study reduce their risk of special assessment by ~ 35%.
• Please watch this 5-minute video to understand the key results of a Reserve Study - https://youtu.be/u83t4BRRIRE

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Sites & Grounds			
21010	Garage Concrete - Seal	10	0	$47,888
21040	Guest Parking Lighting – Replace	25	23	$12,000
21040	Residential Garage Lights - Replace	25	15	$39,000
21050	Coated Concrete Drive - Seal	6	2	$17,500
21050	Common Concrete - Replace - 5%	5	2	$3,050
21050	F2 Driveway Concrete - Replace - 5%	5	0	$1,700
21310	Site Fencing: Metal - Replace	30	0	$3,500
21320	Site Fencing: Wood - Repair/Paint	5	5	$4,800
21330	Site Fencing: Wood - Replace	25	0	$23,800
21610	Metal Lettering - Refurbish/Replace	30	7	$11,800
21660	Site Pole Lights - Replace	30	0	$7,850
	Building Exteriors			
23030	Exterior Wall Lights - Replace	25	13	$5,100
23330	Stucco/EIFS - Seal/Paint	12	7	$19,100
23360	Brick Siding - Repoint	10	5	$60,000
23440	Common Windows - Replace	30	0	$22,400
23480	Entry Doors - Replace	30	24	$36,500
23480	Garage Ped. Doors - Replace	40	34	$17,700
23550	Roof: Low Slope - Replace	30	28	$400,000
23570	Roof: Composition Shingle - Replace	25	13	$194,700
23650	Gutters/Downspouts - Replace - 25%	25	0	$5,100
23650	Gutters/Downspouts - Replace - 75%	25	19	$14,000
23670	Retractable Roof Panels - Replace	30	7	$40,500
	General Interiors			
24010	Interior Surfaces/Trim - Repaint	10	8	$12,650
24020	Wallcoverings - Replace	20	8	$171,700
24030	Interior Lights - Replace	20	8	$31,000
24070	Tile/Stone Flooring - Replace	30	8	$60,500
24080	Carpeting - Replace	10	2	$264,500
	Building Interiors			
24030	Social Room Lights - Replace	20	8	$5,450
24030	Stairwell Lights - Replace	25	10	$9,000
24040	Stairwells - Refurbish	10	3	$15,100
24220	5th Floor Furnishings - Update	20	8	$19,200
24220	Board Room Furnishings - Update	20	8	$6,750
24220	Library Furnishings - Update	20	8	$4,150
24220	Lobby Furnishings - Update	20	8	$8,100

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
24240	Kitchen - Remodel	20	8	$33,000
24250	Kitchen Appliances - Replace	20	8	$6,250
24280	5th Floor Bathrooms - Remodel	20	0	$29,500
24280	7th Floor Bathrooms - Remodel	20	8	$9,000
24280	Lobby Bathroom - Remodel	20	8	$4,700
24390	Interior Design - Master Plan	20	7	$17,500
24410	Guest Room - Remodel	20	0	$11,100
25420	Emergency Lights - Replace	25	18	$13,000
25620	Waterfall Feature - Remodel	30	8	$45,500
	Amenities			
24140	Fitness Room - Remodel	20	8	$11,100
24150	Fitness Equipment - Replace - 10%	2	0	$9,000
24340	Billiards Tables - Replace	20	8	$6,900
26440	Fitness Flooring - Replace	10	2	$3,600
	Sun Terrace			
21690	Sun Terrace Furniture - Replace	10	0	$42,400
23160	Sun Terrace Deck - Repair/Recoat	20	0	$13,000
26070	Grills/BBQs - Replace	10	1	$2,350
	Mechanical			
25010	Entry System - Replace	15	8	$9,550
25020	Fob Reader System - Replace	15	8	$35,000
25060	Garage Operators - Replace	12	3	$15,000
25070	Garage Door - Replace (4th Floor)	20	14	$4,900
25070	Garage Doors - Replace (1,2,3)	20	14	$14,000
25130	Traction Elevators - Modernize	25	13	$639,000
25150	Elevator Cabs - Remodel	20	13	$75,000
25180	Carrier Furnaces – Replace	20	9	$10,100
25190	Rooftop Condensers – Replace - 33%	7	2	$7,000
25210	Carrier Packaged Unit – Replace	20	8	$13,000
25210	Fan Coil Units - Replace	25	13	$29,500
25230	Atrium Exhaust Fans - Replace	20	17	$3,250
25280	Waterfall Pump - Replace	15	11	$2,000
25330	Security System - Modernize	10	3	$30,000
25370	EV Chargers - Replace	10	8	$10,850
25410	Fire Control Panel - Update/Replace	20	10	$11,100
25460	Water Heaters - Replace	15	0	$2,500
25570	Irrigation Clock - Replace	15	3	$2,000
	Pool & Spa			
28040	Pool Furniture - Replace	15	0	$2,750
28060	Pool Tile Deck - Replace	40	0	$22,000
28110	Pool - Resurface	12	0	$14,500
28110	Spa - Resurface	24	20	$25,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
28170	Pool Heater - Replace	12	5	$4,150
28180	Spa Heater - Replace	12	5	$7,000
28190	Pool Filter - Replace	20	10	$3,150
28200	Spa Filter - Replace	20	17	$3,150
28220	Pool/Spa Pumps - Replace	15	3	$10,000

77 Total Funded Components