

2025 Reserve Study & Maintenance Plan

Stoller Farms #2 Owners Association

Portland, Oregon

Prepared By:

Regenesis Reserves

Report Issued Date:

January 8, 2025

Site Inspection Date:

November 29, 2024

January 8, 2025

Kianna West
Phone 503-891-2097

RE: **Stoller Farms #2 Owners Association**

SPECIAL NOTE ON FUNDING RESERVES

In an effort to provide the best and most useful information to the board, our reserve study software offers customizable funding plans. That means if the board has a different funding plan in mind than the one we recommend, we can produce that plan.

There are many approaches to funding reserves but it is recommended that Full (100%) Funding be pursued because it is most likely to avoid special assessments and it shares costs fairly among all members along the 30-year time line. Due to fluctuating inflation rates, investment rates, component costs, starting balances and useful life adjustments, the Percent Funded level will fluctuate (sometimes dramatically) from year to year. The Funding Plan takes these factors into consideration, make adjustment to the Annual Contribution and charts a new course toward Full (100%) Funding.

Type of Reserve Study Performed

A Level II Reserve Study Update with Site Inspection was performed for this report.

Reserve Account Starting Balance

Effective the start of the 2025 fiscal year, based on information provided by client, the Projected Starting Reserve Balance is **\$22,366** versus the Fully Funded/Ideal Starting Balance is **\$33,597**.

Percent Funded

This homeowner association is currently **67% Funded** (Actual Starting Balance divided by Ideal Starting Balance.) 0-35%=Weak; 36-70%=Fair; 71-100%=Strong

Recommended Funding Plan Summary

A contribution of **\$6,700 is recommended for the 2025 Fiscal Year** (See funding plan for future year recommendations). Following this Recommended Funding Plan will maintain the current level of reserves at **100% funded** now and moving forward.

Interest Yield on Reserves

A **0.01% Yield** is projected based on the current rate of return on your invested reserves. One of the benefits of the reserve study is it provides information needed to improve reserves investment returns. Investing reserves in CDs of differing maturities like 1 year, 3 year and 5 year based on when liquid funds will be needed will improve the average yield. A 1.5% average yield is achievable in the current market. If this rate was used in the projections, **\$37,143** in Interest Income would result over the 30 year projection period versus **\$248** produced by the current yield. Bottom Line: Increased Interest Income will lower owner contributions.

Inflation Rate

2.50% inflation rate was used based on the most recent 15-year average published by www.inflationdata.com

Tax Rate. 30% was used based on using Federal Tax Form 1120H versus 1120 which carries a 15% tax rate. Form 1120 is more complicated than 1120H, requirements are more stringent and tax preparers charge more to complete it. However, if interest earnings are high enough, the additional preparation cost can be worth it. See your CPA for more information on tax filing options.

Maintenance Plan

The proper care and maintenance of common components have been entrusted to the homeowner association. The goal of the Maintenance Plan is to provide general information and direction on how to maintain those components to produce the highest livability for the members. While specific items are included, the plan is not exhaustive and some issues may develop over time which should be added to the Plan. Recommendations relating to the Reserve Study are found in the Worksheet Notes; those related to annual maintenance are found in a Maintenance Plan found at the end of this report.

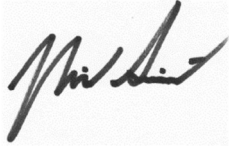
Annual Review & Update Service. An annual review and update of the Reserve Study is required by statute and necessary for continued accuracy. A review and update provides a new 30-year projection with current inflation factor, investment rates and any known component cost changes. **Delivered with this report is a Three Year Price Guarantee Proposal that will save considerable money.**

REGENESIS RESERVES

Reserve Study Consultants
Oregon | Washington

It's been my pleasure to provide this valuable financial and maintenance planning information. I can be available by teleconference, for up to one hour, to review this reserve study, answer questions and make revisions that are indicated. Tuesday, Wednesday or Thursday are generally my best available days. Please contact me to arrange a meeting.

Regards,



Michael B. Stewart PRA
PROFESSIONAL RESERVE ANALYST



2025 Reserve Study

Stoller Farms #2 Owners Association

Portland, Oregon

Prepared By:

Regenesi s Reserves

Date:

January 8, 2025

Reserve Study Table of Contents

METHODOLOGY

Explains the purpose of the reserve study, how the information was gathered and the sources used.

LIMITATIONS & ASSUMPTIONS

Explains what a Reserve Study does and does not do.

WORKSHEET REPORT

Alphabetical listing of the reserve components by type, cost, year put in service, useful life and replacement year

FUNDING PLAN SUMMARY REPORT

- **Percent Funded:** Starting Balance divided by the Ideal Balance
- **Ideal Balance:** Each component is measured, assessed for useful and remaining useful life plus cost of repair or replacement. Based on this analysis, each component should have a certain amount of money set aside as of the year in question. The Ideal Balance is the sum of all these component amounts as adjusted by the inflation factor.
- **Starting Balance:** Reserve funds total at beginning of each fiscal year
- **Annual Contribution:** Funds needed to meet the reserve schedule
- **Interest Income:** Yield on invested reserve funds
- **Tax Liability:** Federal taxes owed on investment interest earned

ANNUAL EXPENDITURES REPORT

Chronological repair and replacement schedule

STARTING BALANCE FUNDS DISTRIBUTION

Allocates available funds to the components. If funds are insufficient to fully fund each component, funds are allocated to components that are scheduled to happen sooner.

Reserve Study Methodology

DEFINITION

Reserve Study Identifies the components which will require maintenance, repair or replacement in more than one and less than thirty years and the cost of repair or replacement of each at recommended intervals. Site inspections are based on visual observation and no invasive testing was done. Representative sampling is used where visual inspection is not possible.

RESERVE STUDY CRITERIA

1. Identify current reserve funds balance
2. Identify components to be included
3. Establish reasonable useful life of each component
4. Establish remaining useful life of each component
5. Estimate current replacement or repair cost of each component
6. Assemble data in Reserve Study
7. Generate Reserve Funding Plan.

FUNDING PLAN CRITERIA

The Funding Plan is based on the Cashflow Method and includes Percent Funded, Inflation Adjusted Ideal Balance, Starting Balance, Annual Contribution, Interest Income, Tax Liability and Inflation Adjusted Expenditures. Inflation is based on the most recent 15-year average as determined by www.inflationdata.com

SOURCES OF INFORMATION (as applicable):

Original plans and specifications
Original builders and developers
Contractors and vendors
Industry Professionals (engineers, architects, construction managers, etc.)
Board Members
General Members
Property Manager
Resident Manager
Cost Estimating Services

To remain accurate, the Reserve Study must be updated annually

Reserve Study Limitations & Assumptions

1. The Reserve Study is intended for the sole use of the Client and is not to be construed as a guarantee, warranty or an opinion on the advisability of purchase.
2. The information provided by the Reserve Study is effective for one year from the completion date of the report. An annual review and update of this Reserve Study is required to adjust known cost changes and to maintain accuracy.
3. Consultant's financial liability for errors and omissions is limited to the charge made to Client to perform the Reserve Study.
4. The scope of the Reserve Study is expressly limited to the components included.
5. The useful life estimates of the Reserve Study assume normal weather conditions and do not factor in damage by flood, wind, storm, earthquake or other insurable events. The useful life estimates assume proper construction, installation, design and regular and adequate preventive maintenance. Improper construction, installation, design or failure to maintain will lead to shortened useful lives.
6. The cost estimates of the Reserve Study are based in current pricing for similar installations and materials and/or based in actual costs paid by Client. Future costs are subject to change according to supply and demand, material costs, effects of inflation and other factors which are not under Consultant's control.
7. The conclusions of the Reserve Study do not involve invasive testing of the components and were arrived at by either visual inspection and/or information provided by Client.
8. The Reserve Study is not intended to address or discover construction defects, asbestos, mold, water intrusion or lead paint. Client agrees to indemnify, defend and hold Consultant harmless from all related claims.

Item Description	# of Items	Unit	Current Item Cost	Future Replacement Cost	Year Built	Useful Life	Year Replace	Life Left	One Time?
Barkdust	1	Total	\$ -	\$ -	2015	50	2065	41	Yes
Comments: Board advised barkdust completed as needed and paid from Operating Budget. 2016: Completed by Cascade Landscaping \$2,530									
Concrete Safety Repair	1	Total	\$ 350.00	\$ 368	2021	5	2026	2	No
Comments: Originally scheduled for completion in 2016 Applies only to sidewalk along West Union and pedestrian walkway at south end of NW 166th Ave. Use this fund as needed over a 5-year period to inspect all flatwork and sidewalks for tripping hazards of 3/8" or more. Grind down or remove and replace selected sections as needed. t over a 5-year period; list year, work done and cost here. 2015: Cost estimate to address areas of work by Safe Sidewalks \$337									
Fence-Stain	588	Ln.Ft.	\$ 8.00	\$ 5,455	2024	6	2030	6	No
Comments: Base year "Year Built" reflected is start of repair budget cycle. 2024: Work to be completed at a cost of \$4,798(\$8.15/lf). 2016: 588 L.F. of fence stained by Adrians Custom Fence \$4,116 (\$7/lf.)									
Fence-Wood-Good Neighbor	588	Ln.Ft.	\$ 60.00	\$ 47,448	2016	20	2036	12	No
Comments: 2016: 588 L.F. of fence replaced by Adrians Custom Fence \$19,386 (\$33/L.F.)									
Irrigation	1	Total	\$ -	\$ -	2015	50	2065	41	Yes
Comments: 2015: Board reported irrigation has been abandoned and is no longer in use.									
Landscape Renovation	1	Total	\$ -	\$ -	2015	50	2065	41	Yes
Comments: Board advised landscape renovation to be paid from Operating Budget. 2018: Removal of Junipers along West Union Road completed by LandCare \$4,498 2015: Observed plants along West Union to be in poor condition. Board advised plants to be removed and not replaced.									

Item Description	# of Items	Unit	Current Item Cost	Future Replacement Cost	Year Built	Useful Life	Year Replace	Life Left	One Time?
Mailboxes-Cluster	143	Units	\$ -	\$ -	1997	35	2032	8	Yes
Comments: 2023: Advise remaining 107 mailboxes replaced at an ~ cost of \$31,500 (\$294/unit) cost reflected in current item cost is an average of replacement cost for all units between 2021 and 2023. 2021: Advised that 3 cluster boxes consisting of 36 units were replaced at a cost of \$5,023 (\$140/unit). The cluster boxes were replaced due to vandalism. One box is located on Buckboard St., the other two are located on Stoller Drive. Moving forward boxes will be replaced as needed. 2018: Board advised replacement of cluster mailbox units anticipated within 5 years. Cost estimate of \$23,419 (\$164/Unit) provided my Mailbox Solutions. 2015: Budget cost provided by Mailbox Solutions, includes installation. Discount may be available for bulk orders. Consolidating units to 16-unit boxes would significantly reduce cost. 2007 (+/-): Mailbox unit along 166th Avenue replaced due to vehicle collision. Material/unit was \$1,400; labor done by board.									
Mailboxes-Phase 1	36	Units	\$ 255.00	\$ 17,881	2021	30	2051	27	No
Comments: See Notes in Mailboxes-Cluster									
Mailboxes-Phase 2	107	Units	\$ 255.00	\$ 55,836	2023	30	2053	29	No
Comments: Budget to replace remaining mailbox clusters as needed. Record year of replacement, quantity and cost here as work is completed. See Notes in Mailboxes-Cluster									
Paving Asphalt-Overlay	1,200	Sq.Ft.	\$ 2.75	\$ 4,549	1997	40	2037	13	Yes
Comments: Located at NW 166th & NW Countryridge Drive Under average traffic conditions, and regular and adequate cycles of repair, crack seal and sealcoating, a properly installed asphalt pavement should last 30–40 years. Heavy truck traffic like garbage trucks can accelerated damage to the traffic lane.									

Item Description	# of Items	Unit	Current Item Cost	Future Replacement Cost	Year Built	Useful Life	Year Replace	Life Left	One Time?
Paving Asphalt-Repair, Crackseal & Sealcoat	1,200	Sq.Ft.	\$ 0.50	\$ 679	2024	5	2029	5	No
Comments: Base year "Year Built" reflected is start of repair budget cycle. Originally scheduled for completion in 2016 Located at NW 166th & NW Countryridge Drive Asphalt is a porous material that is deteriorated by water, dirt, oil and sunlight. To protect it from the elements, a sealcoating should be applied as paint is applied to siding. Sealcoating will seal against water, protect against UV rays which break it down, keep the asphalt from drying out and extend its useful life. It is highly recommended that two coats be applied to achieve the estimated useful life. Re-striping (if applicable) included in the cost. 2024: Advised work to be completed at a cost of \$612. 2016: Board advised to move to 2017.									
Treework	1	Total	\$ 2,500.00	\$ 2,692	2022	5	2027	3	No
Comments: Arborist to perform corrective pruning as needed. Use this fund as needed over a 5-year period; list year, work done and cost here.									
Wall-Clean & Seal	490	Ln.Ft.	\$ 9.50	\$ 5,813	2025	8	2033	9	No
Comments: 2024: Advised work to be completed at a cost of \$3,257(\$9.30/lf). Quantity, updated from 350 Lf to 490 Lf. 2017: Completed by Snugs Services \$2,822 (\$8.00/lf) 2016: Board advised to move to 2017 2015: Budget cost of \$1,950 provided by Snugs Services, includes areas accessible on the roadside. Alternatively, if all landscaping is removed, cost would be \$2,560									

Number of Items = 13



Concrete Safety Repair



Concrete Safety Repair



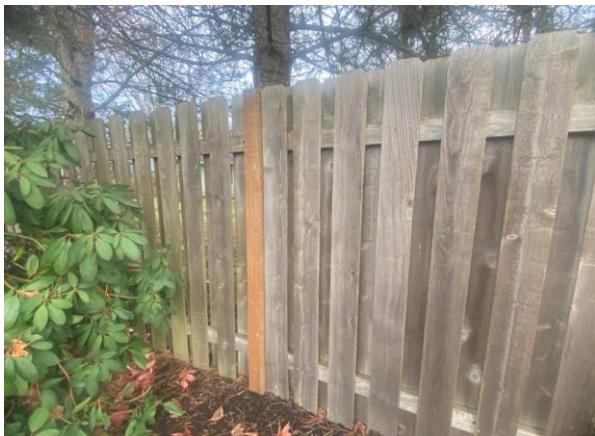
Concrete Safety Repair



Fence-Stain



Fence-Stain



Fence-Wood-Good Neighbor



Fence-Wood-Good Neighbor



Landscape Renovation



Landscape Renovation



Mailboxes-Cluster



Mailboxes-Cluster



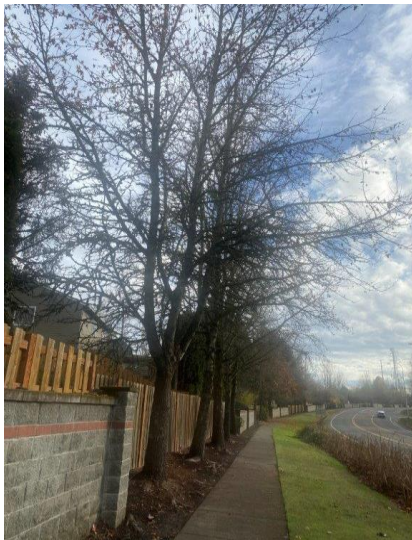
Paving Asphalt-Overlay



Paving Asphalt-Repair, Crackseal & Sealcoat



Treework



Treework



Wall-Clean & Seal



Wall-Clean & Seal

Weak (0-35%) Fair (36-70%) Strong (71-100%)

January 8, 2025 **Recommended Funding Plan Summary** **Stoller Farms #2 Owners Association**

Year	Percent Funded	Inflation Adjusted Ideal Balance	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures
2025	67%	33,597	22,366	6,700	3	(1)	0
2026	71%	40,924	29,068	6,868	3	(1)	(368)
2027	74%	47,893	35,570	7,040	4	(1)	(2,692)
2028	76%	52,608	39,920	7,216	4	(1)	0
2029	79%	60,015	47,140	7,397	5	(2)	(679)
2030	81%	66,762	53,861	7,582	6	(2)	(5,455)
2031	81%	68,877	55,992	7,772	6	(2)	(416)
2032	83%	76,042	63,352	7,966	7	(2)	(3,046)
2033	85%	80,658	68,277	8,166	7	(2)	(5,813)
2034	85%	82,664	70,635	8,370	7	(2)	(768)
2035	87%	89,737	78,242	8,580	8	(2)	0
2036	89%	97,577	86,828	8,795	9	(3)	(54,245)
2037	78%	52,868	41,385	9,015	5	(1)	(7,995)
2038	78%	54,386	42,408	9,241	5	(1)	0
2039	81%	63,899	51,652	9,472	6	(2)	(869)
2040	83%	72,566	60,259	9,710	7	(2)	0
2041	85%	82,102	69,973	9,953	7	(2)	(7,616)
2042	86%	84,229	72,316	10,202	8	(2)	(11,236)
2043	86%	83,034	71,287	10,457	8	(2)	0
2044	88%	93,075	81,750	10,719	9	(3)	(983)
2045	90%	102,159	91,492	10,988	10	(3)	0
2046	91%	112,225	102,487	11,263	11	(3)	(603)
2047	93%	121,705	113,155	11,545	12	(4)	(4,412)
2048	94%	127,492	120,296	11,834	13	(4)	(8,508)
2049	96%	129,409	123,631	12,130	13	(4)	(9,742)
2050	97%	130,357	126,028	12,434	13	(4)	0
2051	98%	141,046	138,471	12,746	14	(4)	(18,563)
2052	99%	133,846	132,664	13,065	14	(4)	(4,991)
2053	100%	140,348	140,748	13,107	15	(4)	(55,836)
2054	100%	98,047	98,029	13,538	10	(3)	(11,125)

Total \$293,870 \$248 (\$74) (\$215,962)

0.01% **Investment Rate**
30.00% **Tax Rate**
2.50% **Inflation Rate**
0.00% **State Tax**

January 8, 2025

Annual Expenditures

Stoller Farms #2 Owners Association

Year	Amount	Item Description
	368	Concrete Safety Repair
2026	368	
	2,692	Treework
2027	2,692	
	679	Paving Asphalt-Repair, Crackseal & Sealcoat
2029	679	
	5,455	Fence-Stain
2030	5,455	
	416	Concrete Safety Repair
2031	416	
	3,046	Treework
2032	3,046	
	5,813	Wall-Clean & Seal
2033	5,813	
	768	Paving Asphalt-Repair, Crackseal & Sealcoat
2034	768	
	471	Concrete Safety Repair
	6,326	Fence-Stain
	47,448	Fence-Wood-Good Neighbor
2036	54,245	
	4,549	Paving Asphalt-Overlay
	3,446	Treework
2037	7,995	

Year	Amount	Item Description
	869	Paving Asphalt-Repair, Crackseal & Sealcoat
2039	869	
	533	Concrete Safety Repair
	7,083	Wall-Clean & Seal
2041	7,616	
	7,337	Fence-Stain
	3,899	Treework
2042	11,236	
	983	Paving Asphalt-Repair, Crackseal & Sealcoat
2044	983	
	603	Concrete Safety Repair
2046	603	
	4,412	Treework
2047	4,412	
	8,508	Fence-Stain
2048	8,508	
	1,112	Paving Asphalt-Repair, Crackseal & Sealcoat
	8,630	Wall-Clean & Seal
2049	9,742	
	682	Concrete Safety Repair
	17,881	Mailboxes-Phase 1
2051	18,563	
	4,991	Treework
2052	4,991	
	55,836	Mailboxes-Phase 2
2053	55,836	

Year	Amount	Item Description
	9,867	Fence-Stain
	1,259	Paving Asphalt-Repair, Crackseal & Sealcoat
2054	11,125	
Total	215,962	

Item Description	Useful Life	Life Left	Year Replace	Future Replacement Cost	Ideal Balance	Actual Balance
Barkdust	50	41	2065	\$ -	\$ -	\$ -
Concrete Safety Repair	5	2	2026	\$ 368	\$ 294	\$ 294
Fence-Stain	6	6	2030	\$ 5,455	\$ 909	\$ 909
Fence-Wood-Good Neighbor	20	12	2036	\$ 47,448	\$ 21,351	\$ 19,412
Irrigation	50	41	2065	\$ -	\$ -	\$ -
Landscape Renovation	50	41	2065	\$ -	\$ -	\$ -
Mailboxes-Cluster	35	8	2032	\$ -	\$ -	\$ -
Mailboxes-Phase 1	30	27	2051	\$ 17,881	\$ 2,384	\$ -
Mailboxes-Phase 2	30	29	2053	\$ 55,836	\$ 3,722	\$ -
Paving Asphalt-Overlay	40	13	2037	\$ 4,549	\$ 3,184	\$ -
Paving Asphalt-Repair, Crackseal & Sealcoat	5	5	2029	\$ 679	\$ 136	\$ 136
Treework	5	3	2027	\$ 2,692	\$ 1,615	\$ 1,615
Wall-Clean & Seal	8	9	2033	\$ 5,813	\$ -	\$ -
				\$ 140,721	\$ 33,597	\$ 22,366

Investment Rate 0.01%
Tax Rate 30.00%
Inflation Rate 2.50%
Contingency Rate 0.00%

Contingency	\$ -	\$ -
Total	\$ 33,597	\$ 22,366

Maintenance Plan for Stoller Farms #2 Owners Association

The proper care and maintenance of substantial assets have been entrusted to the homeowner association. The key to any effective Maintenance Plan is consistency and expertise. The goal of this Maintenance Plan is to provide general information and direction on how to maintain those assets to produce the highest livability and market values for member units. While many specific items are included, the list is not exhaustive and some issues may develop over time which should be added to the Plan.

Many building and grounds components require specific maintenance to ensure their proper function. Many of the tasks are suitable only to trained professionals with a thorough understanding of the systems. It is highly recommended that only licensed, bonded and insured workman with the training, knowledge, tools and equipment to handle the maintenance of those systems or components be used to ensure highest service quality.

Annual Maintenance

The following tasks should be performed on according to a regular and adequate schedule as preventive maintenance:

Landscape-Maintenance

Landscaping is an extremely important aspect of livability and market value. Having a contractor that is competent and regularly attending to the landscaping is the proper approach. When the contractor completes work, a job slip should be left with a designated Committee member so the work can be reviewed. If there are deficiencies, the contractor should be notified immediately. If the contractor is consistently unresponsive or the quality of work deficient, a change in contractors is indicated. For details on landscape maintenance, refer to the landscape contractor's agreement.

Pressure Washing

Each year, selected areas of asphalt and concrete sidewalks and steps should be pressure washed to remove oil spots, algae and moss which could cause slipping hazards.

Reserve Study Maintenance

See Worksheet report comments