

2059 Camden Ave. Suite 151, San Jose, CA 95124

Dear Board,

I wish to thank you for considering SMA Reserves for the preparation of your community’s **2025** Reserve Study Update.

Enclosed you will find the Reserve Study Update Agreement for your project. SMA Reserves will prepare a reserve study update including the necessary Assessment and Reserve Funding Disclosure Summary to comply with civil code 5570.

**Scope of Work**

The Reserve Study update is designed to provide the board with an updated reserve funding plan and disclosure documents based on the component list set forth in the most recent reserve study. The update will adjust unit costs based on standard inflation and will adjust the remaining useful life of previously determined major components. Because there will be no visual inspection to the major components, the adequacy of data presented in the reserve update will be dependent on the adequacy of data provided in the most recent reserve study. Meetings: SMA does not participate in board meetings, whether in person or virtually.

The updated reserve funding plan will include a financial analysis of the association’s reserve fund balance, evaluation of the adequacy of the reserve fund, and a recommendation for future reserve funding.

**Services will be provided for a fee of $450 \***

(Payment is due at time of signed contract)

Note: Additional cost centers requiring a separate report are an additional $175 per cost center/report. All other additional services are billed at $275 an hour. \* There is a one time $ 50.00 fee for transfer of data from another preparer’s report.

Please review the enclosed agreement and reserve study update checklist. SMA Reserves will begin preparation of your community’s reserve study update upon receipt of the signed agreement, and documents necessary for the completion of your reserve study. Please forward these documents to my attention at your earliest convenience.

**Limitation of Liability:** In recognition of the relative risks and benefits of the project to both the Client and SMA Reserves, the risks have been allocated such that the Client agrees, to the fullest extent permitted by law, to limit the liability of SMA Reserves to the Client for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys’ fees and costs and expert witness fees and costs, so that the total aggregate liability of SMA Reserves to the Client shall not exceed the total fee for services rendered on this project. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

Regards,

Erik Sundquist

**APPROVAL:**

Association: HOA

Approved by (Print Name): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_Date: \_\_\_\_\_\_\_\_\_\_\_

**MANAGER NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_ Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

The following documents will assist us in preparing a more accurate and concise reserve study update for your community. The more information we have, the better the update will be.

**Please provide us with a copy of the following information:**

**Document Checklist**

Signed Reserve Study Agreement \* Required

Previous Reserve Study or Update (if not done by SMA Reserves) \* Required

Current Balance Sheet showing Reserve Fund Balance \* Required

Current Budget – Indicating the Annual Reserve Contribution \* Required

Project Deferral Statement by Board \* If Applicable

**Reserve Project Information**

Please list any reserve components that have been completed since the last reserve study / update by their component name/# from the previous reserve study:

Component / Work Performed:

Cost of Project:

Component / Work Performed:

Cost of Project:

Component / Work Performed:

Cost of Project:

Component / Work Performed:

Cost of Project:

Component / Work Performed:

Cost of Project:

Component / Work Performed:

Cost of Project:

Component / Work Performed:

Cost of Project: