



January 11, 2018

Board of Directors

HOA

Re: Proposal to Manage the Association

Dear Board Members:

Thank you for the opportunity to submit this proposal for management services for [REDACTED]. Choosing the correct management firm is an important decision for the Board. Your goal is to find a management business partner that will help you preserve, protect and increase the property values of your investment. I want to be your partner in this journey.

Properties I have managed in the past include [REDACTED]. While managing that property during that time we accomplished many critical items related to the property. These included:

- Reducing outstanding Account Receivables balances.
- Improving cash flow and increasing the Cash on Hand for the Association.
- Identifying property deficiencies and developing a plan of action in conjunction with the Board. These items included:
  - A roof replacement plan that resulted in numerous buildings receiving new roofs plus improvements to the decking and the flashing details. These roofs now have 20 to 25 year architectural shingles, plus drip edges along the gutters, and ice and water shield where required.
  - Replacing damaged stairs around the property.
  - Developing a plan for painting decks and railings.
- Actively working with and directly with service vendors to ensure that the appropriate work was performed.
- Improving communications with the Owners and Residents through regular communications.
- Presenting monthly reports to the Board with actionable items to address plus providing information on matters that were implemented. I think this made the board meetings more efficient and productive.

I believe that this prior experience with your property will be a valuable asset to the Association. This means that I can begin managing Hobbs House with significant knowledge concerning needs of the property. Additionally, I know many of the residents. I think it will be easy to re-establish rapport.

Below you will find details of my proposal. These will include my ACTIVE management principles for managing your Association. The implementation of those principles will meet and address the needs we discussed today plus others that we discover.



In regards to my proposal, please note the following:

- The proposed monthly management fee is [REDACTED] month. I believe this is comparable to the existing rate. The attention to detail delivered in managing the property justifies the fee.
- The ACTIVE management principles discussed in the property were evident, I believe, during my time as the manager. These principles are a statement of my operating style.
- Processes for delivering with the following items are all clearly explained:
  - How to pay HOA fees
  - Notification of Realtors and Title Companies during a sale.
  - How the maintenance process works. Based on our prior experience this is an accurate description of the process.
  - Sample notification letters to vendors or I as prefer to call them, business partners.
  - Sample letter to owners explaining the transition should you choose to hire Green Building Management Services.
- We use a local bank, [REDACTED] for our HOA banking needs.
- The financials are maintained through Quickbooks. We have an accountant, [REDACTED] who reviews all of the financials. He also provides advice concerning the proper methods of accounting. This ensures that the monthly financial reports are accurate.

Finally, there may be one issue of concern to the board that I will address directly: the size of my firm. At the present time, I am the owner and sole employee. However, I have developed depth in the organization by utilizing contract services of an accountant, book-keeper, and back-up/on call person who has deep knowledge of property. Additionally, all of the companies who perform work on the property work closely with me. I consider them business partners. We work together to solve your properties issues. While Green Building Management Services, LLC., may be a small firm, our business model ensures a depth of service.

I look forward to the opportunity to work with the [REDACTED] Board and the Owners. I am grateful for your consideration of this proposal.

Sincerely,

John C. Green  
Owner



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Green Building Management Services LLC (GBMS), will provide your property with hands-on management that generates results for property values and for your bottom line. Our unique **ACTIVE** principles of service provides for a high level of Property Management.

The **ACTIVE** management difference

Green Building Management Services, LLC (GBMS), is an **ACCESSIBLE** property management firm that provides **CORRECT** solutions to your needs based on a **THOROUGH INVOLVEMENT** with your property because we are **VISIBLE** and present to ensure **EXCELLENCE** of service.

- **A**ccessible – we are accessible to the customer because we are responsive – all communications returned the same day – and because we are visible on the property to interact with all of the stakeholders. A also means attentive. We are attentive to the details of your property to ensure execution of plans.
- **C**orrect – we apply corrective actions to properly fix problems for a long term solution. We develop good corrective actions because we have thoroughly investigated the issue and are involved with the customer and the trades who can deliver quality solutions. Correct actions at the front end save money in the long term plus they create happy customers.
- **T**horough – we thoroughly investigate problems and potential issues. This allows us to develop thoughtful, well planned solutions that efficiently utilize resources to achieve good results.
- **I**nvolved – we are involved with the property. Because we are accessible and visible, we develop relationships with all the stakeholders of a property. These relationships translate into a level of commitment.
- **V**isible – we are visible on the property. Customers will see us at different times and different days. We always meet service providers on site to ensure that all work is directed. Visibility means that in many case we will see issues and take corrective actions before matters get worse.
- **E**xcellence – by following the ACTIVE approach we can achieve excellence in results for your property. This ensures that the property values are preserved and can then increase.



## Services to Provide

### Property Services

- Regular and ongoing visits and inspections to the property. We are on-site at least weekly and in many cases more frequently.
- We develop excellent relationships with contractors and service providers for your property. We can utilize existing relationships present on the property, or tap into the Green Building Network of Preferred Business Partners.
- Ongoing inspections of the property mean that all work on the property is based upon an evaluation of the problem. Pre-work diagnosis results in targeted repairs and efficient utilization of contractor's time. In the long-term this results in savings to the property through efficient use of resources.
- Evaluation Report – we can perform a comprehensive evaluation of the entire property.

### Financial Services

#### Budget and Financial Management

- Work with the HOA to develop and implement yearly budgets.
- Develop a reserve study to determine long term capital requirements for the Association. This is also critical in developing the appropriate level of HOA dues. This service is an additional fee that is negotiated.
- Actively manage the financials of the organization. We review all invoices prior to payment. Since all contractor (or vendor) work is performed under our supervision we ensure that the scope of services have been performed for the work.
- Provide monthly income statements, balance sheets, disbursement of funds, and bank statements to the board and to owners.
- Monitor and collect all Receivables.
- If you like your current chart of accounts those can be adopted during the transition.

#### Payment Choices for Owners

- ACH – we offer automatic bank drafting of owners account. This is the preferred and best method for collecting HOA fees.
- Check – owners may send a check from their personal checking account.
- Online – owners may pay online. There is a convenience fee.

#### Tax Returns

- We will prepare all necessary tax returns for the property.
- 990 forms will be sent to all eligible contractors. This fee is paid by the HOA.



- The annual tax return will be prepared by a CPA. Tax preparation fee paid by HOA.

#### **Board Liaison/Meeting Services**

- Board meetings – we prefer to hold Board Meetings during our normal business hours. I know this Board meets monthly and that is a tradition. If the Board is satisfied with our services, I would like to discuss a less frequent meeting schedule.
- Board meetings may be held in person or via phone conference.
- Annual meetings – an annual meet may be held outside the normal business hours at no charge.

#### **Owner Liaison Services**

- We will provide every owner with contact information to reach the property manager. In many cases the manager will see owners on site and provide the owners with a business card.
- We encourage owners to directly contact the property manager with issues or concerns. This makes it easier to resolve.
- Direct contact between owners and the property manager develops a good working relationship. In the long term we believe that this increases the level of commitment and service from both parties.

#### **Maintenance Requests**

- Encourage all owners to contact the property manager directly with requests. This can be done either by phone or email.
- We strongly believe that our regular visits to the property and ongoing attention to issues will limit these requests as the regular maintenance issues will be resolved.

#### **Complaints**

- We hope that there are never any problems and that every issue gets resolved. However, we are all humans and mistakes will be made.
- The best approach to resolving an issue is to work directly between the parties involved. Circumventing direct communications does not resolve the issue.
- If the property manager has not successfully resolve a matter, then we encourage the owner to contact a member of the Board directly.

#### **After Hours Services**

- We provide after hour services as part of our normal business arrangement.
- The means to report an after-hours emergency will be provided.



### Special/Project Services

- GBMS can successfully manage special projects around the property. In many cases it may not be necessary to utilize a General Contractor if our services are utilized. Our access to a deep pool of resources can solve most capital projects at the property.
- Examples of special project are large insurance claims, re-roofing the entire property, or repainting the entire property.
- A fee is charged for these services. That is negotiated based upon the project size and scope.

### Reporting Services

- Written reports are provided to the Board of Directors at each meeting. These reports cover activities at the property since the last meeting. The report will comment on financials, maintenance issues, compliance, and capital projects if applicable.
- A complete financial report is provided at each board meeting. Besides the financials numbers we provided actionable information on special items as well as trends.
- Each month we will post online a balance sheet and income statement for the property.
- Ongoing written communications will be sent to Board members and stakeholders. These communications provide updates on particular issues.

### Level of Services

- Hours of Service/Operation
  - We are available Monday through Friday from 7 am to 6 pm and Saturday from 8 am to 12 noon. All communications made during those times will be returned the same business day.
- Responsiveness to Owners
  - Our commitment is to respond to all inquiries the same business day.
  - We provide all owners, customers, stakeholders, contact information to reach us.
  - All communications will be handled professionally and with courtesy. We also expect the return. Communications with profanity and insults will be not be tolerated and will not receive the courtesy of a response.
- Responsiveness to Contractors
  - We work directly with all contractors and service providers. These firms and individuals will only be on property under our supervision. All of these workers will be either met on site or only be on site under our guidance.
- Responsiveness to Realtors/Agents of Owners/Title Companies
  - All questionnaires are returned within 24 hours of receipt.
  - There is no charge for providing documents to agents, lenders, or title company if these are electronic.
  - All inquiries during our normal course of business are returned the same business day.



- After Hour level of Service
  - We provide after hour services for emergencies such wind, storm damage, and water events.
  - There will be an after hour service number provided. All calls to that number are returned within 20 minutes of receipt.



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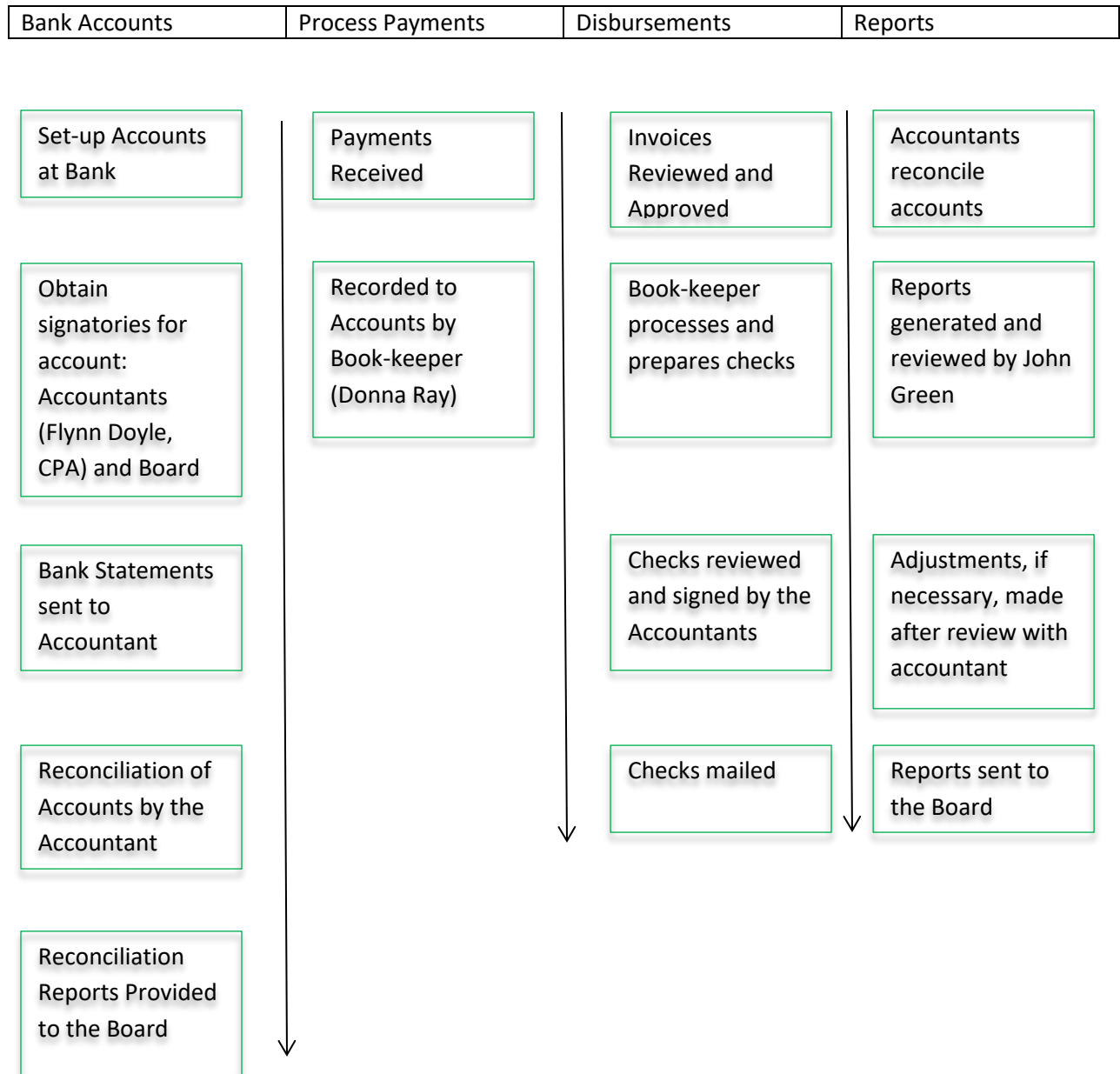
## Fees and Charges

- Management Fee – a flat monthly fee of [REDACTED] per month.
- Real Estate Transaction Fees
  - Fees for Questionnaires = \$0
  - Transfer Fee = \$200 paid to GBMS
- Collection Services
  - If an account is turned over to an attorney for collection then a flat fee of \$200 is charged to that owner's account. The owner is responsible for payment.
- Project Management
  - Normal maintenance and repair projects are covered under the Property Management Scope of Services. There is no charge.
  - Major Capital Projects – for projects paid out of reserve accounts that involve significant improvement to the property, there is a project management fee. This is a negotiated, flat fee arrangement.
- Banking Services
  - Normal banking services are at no cost to the HOA
  - GBMS charges \$50 for NSF and returned checks. This is charged to the individual HOA account.
- Project Management
  - For special projects this is a special negotiated rate. We can bill hourly or charge a flat fee. The hourly rate is \$100 per hour. The flat fee can vary based on the size and complexity of the project.
- Evaluation Report
  - We can perform a comprehensive evaluation of the property including inspections of all major capital items. We will bring the appropriate contractors on site to evaluate all aspects of the property. This evaluation will include both the building footprint and the landscaping of the property.
  - The deliverable provides photographs and discussion of findings. In addition recommendations are provided.
  - The cost for this service is \$2,500.
- Reserve Study
  - The comprehensive evaluation can be expanded to provide a full reserve study. Beside all the items in an Evaluation Report, we will provide capital projections costs plus recommendations for the appropriate level of reserves.
  - The fee is \$5,000.





## Accounting Process





## Accounts Payable Process

Dear Business Partner:

Thank you for working with Green Building Management Services. Your work with us is very important and we want to make sure that you get paid promptly and correctly. To make this possible we ask for the following information:

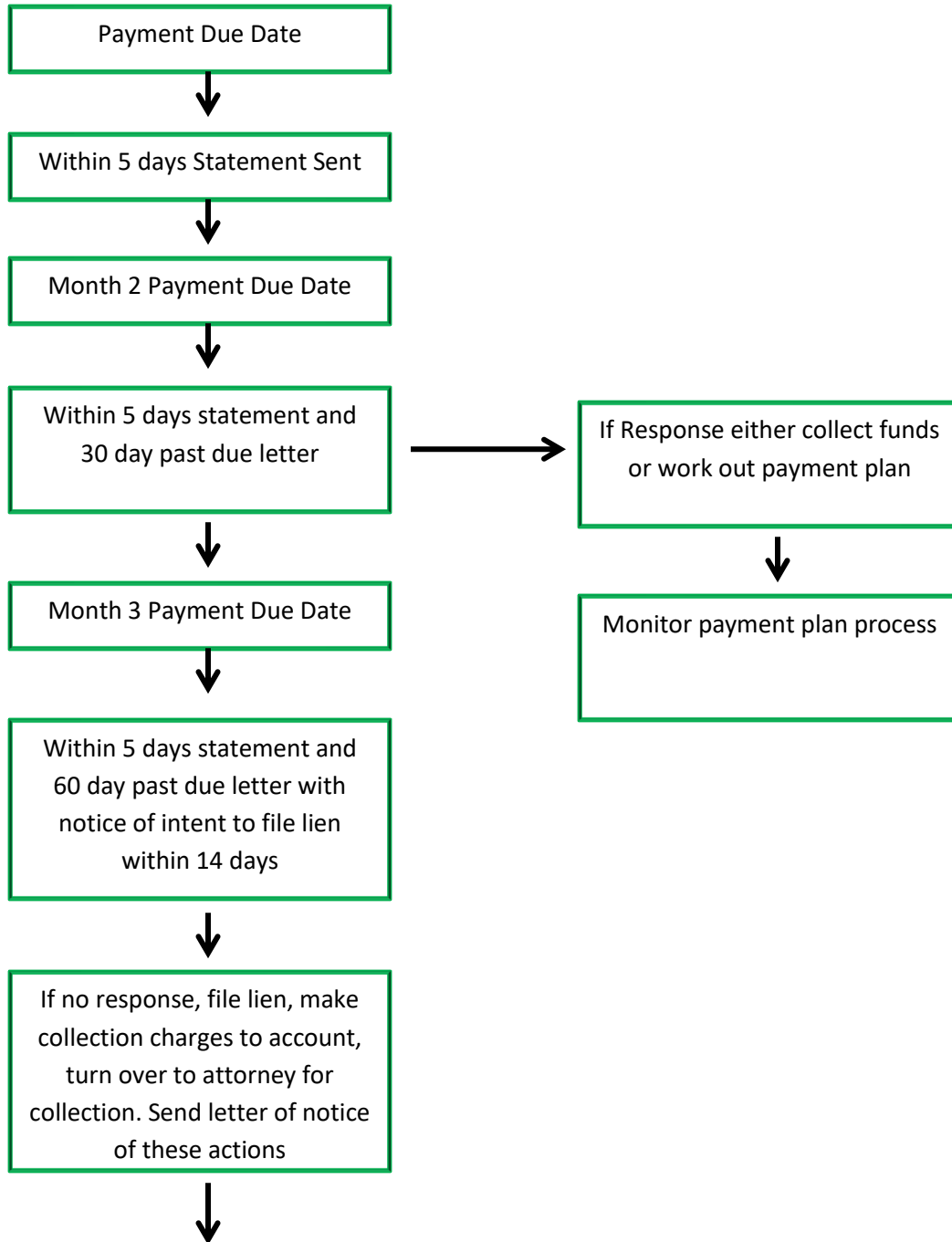
- Invoice Information – Please provide the following information on your invoice:
  - Please be sure to put the location address of the job on the invoice.
  - If you worked in an individual unit, please be sure to include that information.
  - The dates on which you worked.
  - A brief description of the tasks and worked performed.
- Invoice Submission
  - Please email your invoice to [john@greenbuildingnashville.com](mailto:john@greenbuildingnashville.com)
  - If you mail your invoice please send to Green Building Management Services, 1914 18<sup>th</sup> Avenue South, Nashville, TN 37212.
- If this is your first work with our company, in order to get paid we must have the following information on file:
  - W9 with your tax id information
  - A current certificate of insurance.
- Invoice Processing and Payment
  - Invoices received by 6 pm Friday will be processed for payment next week.
  - We process all invoices and mail out payment by the close of business Wednesday.
  - You should receive your check within seven (7) to ten (10) business days.

If you have any questions or concerns about this matter, please feel free to contact me at 615.500.8528. Thank you for working with us.

Sincerely,



## Accounts Receivable Process

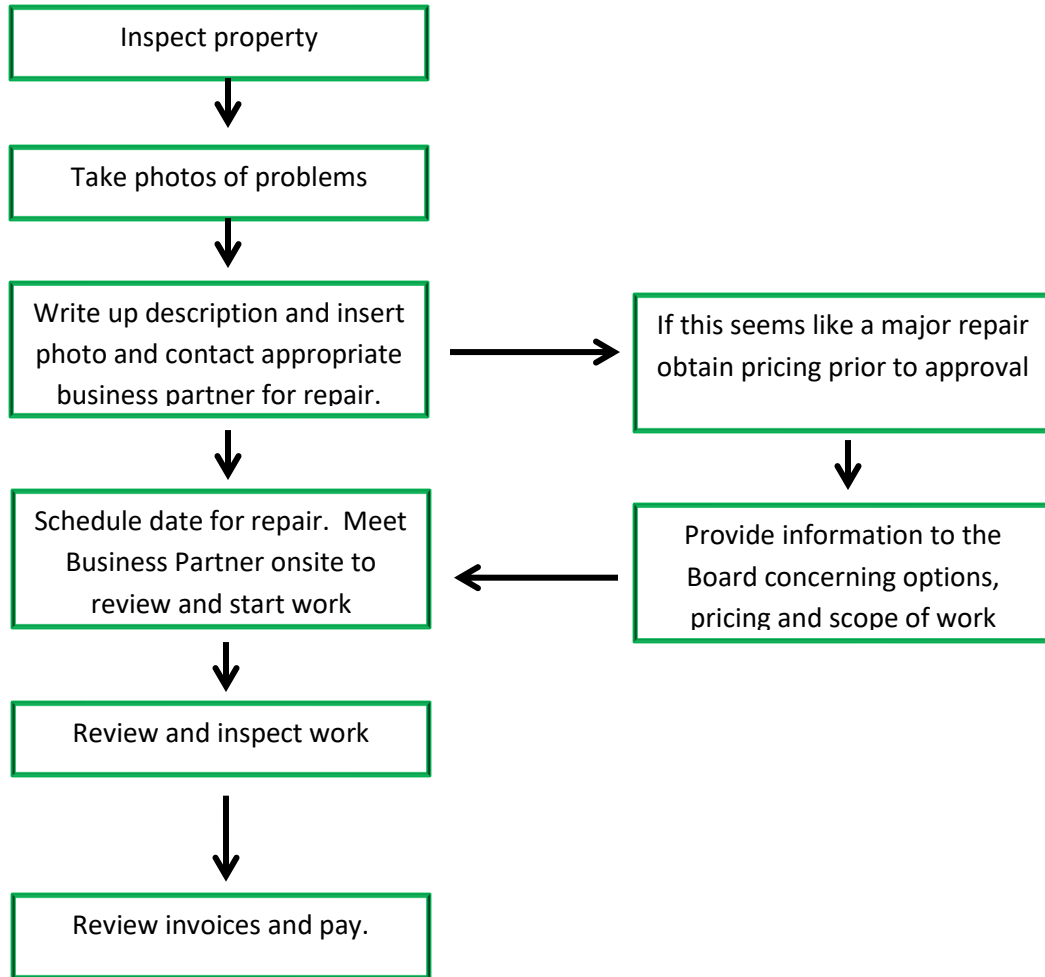


This is a generic process. This can be modified to fit plan of the customer.



## Maintenance Process

During On-Site Visit





## Maintenance Process

Response from Resident

