



An Owners Association (COA & HOA) Management Company

Executive Summary

Company: *The Masters Group (TMG), a subsidiary of Transpacific Professional Investment Services, Inc. is celebrating over Twenty-Five (25) years of proactive service to commercial and residential communities throughout the western states. TMG's customer base is composed of commercial, professional/medical, Mixed-Use, and residential complexes.*

Company Staff: *TMG is composed of experienced and qualified personnel with over eighty (80) years of combined building-asset management. In fact, many of our staff members have graduate degrees in management and finance, as well as, construction and soils engineering expertise that is utilized daily in delivering our full service capabilities. We understand the importance of balancing the quality of your professional surroundings with the availability of supporting logistics to insure an exceptional business environment for businesses to grow and thrive. We are fully capable and able to serve the diversified needs of all members and professional tenants of the Association. From standard management services to more complex and specialized environmental needs, we are prepared to support a vast diversity of Users and Industries within the same physical site. We also handle business to business, as well as member to member, relationship management issues with great care and skill to enable long term resolution.*

Services Offered: TMG provides a complete array of management services tailored to the overall complex and specifically for the individual unit owner and/or tenant's needs. Each offering is backed by a service level agreement and full statement-of-services that is clearly defined and understandable. A detailed service offering sheet is available upon request.

Company objectives: Our objective is to reduce your near and long term costs, while increasing the relative value of your real



Question and Answer Material - *Serving the Bay Area and Sacramento Since 1983*

property. Of equal importance is to create an environment that provides for a high quality professional environment and peaceful enjoyment of the common elements. Very few management firms are qualified and wish to manage your type of structural and dual-complexity community. Your Association can rely on The Masters Group's knowledge base in construction, asset management, & community development expertise.

Our Service Areas:

Western United States

General Management-based Questions:

1. Range of Complexes Managed? TMG manages commercial, Mixed-Use and residential communities from 9 to 400 units (the majority of our Associations we manage have been with TMG for over 12 years while the industry average for sustained contracts is less than 3 years).
2. Management Affiliations:
 - a. We are a member of ECHO, CACM, California Real Estate Broker's Association, and National Real Estate Broker's Association (CREB & NREB membership requires full annual licensing and large investments in continuing education). We have taken extensive course work in construction methodologies and have advanced degrees in geology. We also are part of the California's Building Association and our Colleagues serve on various Arbitration Boards for Professional Realtor Associations dealing with PD/PUD Real Estate Sales.
3. Our managers do not exceed five Associations
 - a. Based on your service level selection, TMG will meet or exceed the standards expected/desired.



Financial-Based Questions:

4. Your COA/HOA has a choice of vendors (e.g. we have seven (7) CPAs on our Preferred Vendor list) or your own selected professional.
 - a. Access to the books and other non-proprietary based records is relatively immediate (that is a phone call away). Board members have direct access to all information.
5. What is the financial reporting cycle? TMG provides the option of monthly or quarterly financials. We prepare a monthly A/R and A/P document, of which, is sent directly to the Board President and Treasurer for review. Monthly checks and invoices are prepared by TMG, and sent to the Board for approval and signature.
6. The reports are completed no later than the 15th of the month. The reports can be sent and completed earlier given that the documentation from the bank is provided at an earlier time frame. Checks are issued on the 10th of each month. TMG works directly with the vendor pool to assure that billing cycles match check-issuing cycles.
7. All financial documents are maintained in the permanent file (TMG carries up to 14 months within the office – dated material after that is placed in archives. This includes invoices, contracts, checks, etc.).

Insurance-Based Questions:

8. TMG provides guidance on all insurance offerings. We have over 9 insurance carriers and brokers from which to choose insurance coverage from. We guide the Association through General, Officer, E/Q, and all relevant insurances. Our focus is to secure the best insurance offering, from A-Rated or better insurance carriers.
9. Financial Structure Issues:
 - a. TMG provides the Board of Directors prepared checks; we do not sign the checks. Two Board member signatures are required. Transfer of funds from one account to another can only be completed by those who are authorized (that is on the signature card) to sign.



Management-Based Questions:

10. TMG offers over five different vendor choices for reserve study reviews and reporting. Your decision will be based on the quality level of on-site inspections, translations of existing attributes to reliable life expectancy perspectives, accurate algorithms (converting time-based cost trends to probable cash requirements), and the quality of hard-copy reporting styles. We offer vendors that can provide you with options and choices.
 - a. Upon selection of the vendor, TMG will work with the Board to provide the requested detail and written documents. TMG will incorporate the findings of the report into your accounting functions. TMG can provide an in depth audit of the analysis for an extra service fee.
 - b. Long-range budget and planning processes are co-developed by the Board and TMG.

11. Vendor Selection:
 - a. TMG sustains a large list of Preferred Vendors from which your Association may choose services. This list started from picking the Best-in-Class service providers, and often from Associations like yours, who have great vendors who wish to perform services to other Associations. We welcome the addition of new vendors to our list. We have a minimum policy and structure that all vendors must perform too – to assure their position in our Preferred Vendor base is maintained.
 - b. The selection of a vendor for a specific task is based on the development of a clear and realistic Statement of Work (SOW). The SOW is co-created by the Board and TMG. Whereupon, we solicit inputs and bids to meet the SOW. Bids are secured for work over \$1,000.00.
 - c. Member/Tenant Managed Repairs:
 - i. A member/tenant is legally entitled to select a vendor to perform his or her own personal work. We request that all vendors have the necessary insurances to protect their workers and your Association.
 - ii. The member/tenant is fully and financially responsible for all resulting elements. Charges are assessed to member's accounts for non-compliance (compliance includes start/end work times, material transfers and storage, etc.).



- iii. We will provide recommendations of vendors from our Preferred Vendor pool, when and should a member/tenant request such information.
- iv. We prefer all members/tenants to inform TMG of any activity 72 hours prior to work commencing. We then utilize emails to inform members of what to expect and when.
- d. Common Area Services:
 - i. TMG prefers to use Preferred Vendors. In our minimum policy and structure agreement with the vendor, many work protocols and quality standards are identified. This includes minimum insurances, proof of insurance and other relevant elements.
 - ii. Workers are to perform work in an orderly and professional manner. Workers are to be properly dressed and easily identified that they are an authorized COA/HOA vendor. Material storage, as well as, transport devices needs to be maintained, safe, and located in pre-designated areas.
- e. TMG has maintenance staff personal to support minor COA/HOA repairs.

12. Oversight Review

- a. TMG provides for oversight of routine services. These include landscaping and general repairs based on our monthly walk through review.
- b. Non Routine Service Fees:
 - i. TMG provides for involvement in various non-routine activities within the Association. Such involvement in emergency-based services or reserve-type repairs/renovations are based on the level of supervision, definition of specifications, on-site management/facilitation, and other services that the Board of Directors wish TMG to perform. Our contract is designed for routine services, with some allowance for non-routine services.
 - ii. TMG provides a variety of service level agreements and quality of service options from which the Association may choose. Desired service levels may change from time to time to meet the Association's needs.

13. Escalation Process:



- a. TMG provides a quad-level based escalation process. For tenants or members, the assigned property manager is ready and willing to service members/resident's needs subject to pre-approved standards co-created between the Board and TMG. In cases where a vendor's performance is in question, the addition of the owner of the service firm is integrated into the primary escalation process. The third level of escalation is to TMG's corporate officers (in some cases, this may be the same person as whom manages your community). A member of the California Arbitration Board holds the highest escalation path position for our services.
- b. Emergency services are managed-based on the type of emergency and the pre-approved standards model. In situations where the community can save money, without additional damage being sustained, emergency service will be recorded and acted upon the next business day.
- c. The Board and TMG will co-create a pre-approved standards model that will insure equal treatment to all members and residents (since this is the law in the State of California). The model will identify exactly the standards of care that the Board of Directors would like TMG to manage too in general and in emergency-based situations.
- d. **Bottom line:** We help people through a problem and solve it to a level that meets the needs of the member and the needs of the Community's financial plan.

14. Normal Response Time:

- a. TMG provides responses to most questions within a 24-hour period or sooner (question dependent). Acknowledgement of a request for service or question is handled within hours on the same business day.

15. Selection of an Attorney

- a. The Association may choose the attorney to represent the Association. It should be noted that your insurance carrier will have a presence in this decision making process also.

16. References

- a. TMG is pleased to provide a list of Associations and Board members from which you may asks questions and inspect their properties. We will provide you the list upon confirmation of TMG being in the final round of firms.



17. Financial Examples
 - a. TMG will provide a copy of our SAP-based financials for your review.
18. Reporting: TMG provides a 'status report' that is incorporated in your Association's mailings to the membership.
19. Management Fee Structure:
 - a. TMG will provide you a menu of services from which to choose service level options from. In our offering you will have the choice of selecting Silver, Gold and Platinum service levels. Our price is reflected upon your choice. Some COA's/HOA's wish 5 Star Resort Level service. We provide this level at a more budget worthy level upon request – this includes on-site managers or Concierge-level service.
20. Other Services:
 - a. Depending on service level requested, TMG also charges for general and special mailing costs, copies, and newsletters. Storage of documents is out-sourced to an environmental and security patrol location.
 - b. As part of our advanced management services package, we will set up various service-providers (e.g. Convenience (dry cleaning, grocery), Health (Chiropractor & Masseur), Transportation (Shuttle, limousine), etc.

Thank you for your interest in Association Management Services



The Masters Group

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