

# Instructions to Adapt the Management Agreement to Your Company

Although we all do the same things in managing rentals we do them a little differently. You won't manage 50 houses in CobbTown, AL the way I managed 1,000 in Roswell, GA. Managing 300 section 8 properties is done differently than managing 300 high-rise condos. Each manager's model is different so this instruction sheet allows each manager to **shape their lease to match their model** (and state laws) as it relates to fees, charges and dates or CUSTOMIZE IT to the way YOU do property management.

**You're not alone in this project.** The training videos will take you through each stipulation and help you tweak the document to your specific needs and we'll talk you through your final tweaks and answer questions.

**You'll need to carve out some time to complete this.** It's a heavy lift and will take some time. It's called WORKING ON THE BUSINESS. Use this list to make the changes in the lease document.

**NOTE: ALTHOUGH WE GIVE EXAMPLES OF A PARTICULAR FEE OR CHARGE, WE DO SO ONLY AS AN EXAMPLE AS WE ARE NOT ATTEMPTING IN ANY WAY TO SET OR SUGGEST FEES.**

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**Item 1 and 3 are on the top of the document.** Insert your company name as it is with the real estate commissioner and Secretary of State including Corporation, Limited Liability Company, Inc, etc at the end of your name. This should match how you are listed in public and commission records. Give your complete, legal name.

**Item 2** Let this remain a blank line for now. You'll fill it in as you sign up owners. Ask them for a copy of the front page of their deed or look it up in public records. Be careful to address trusts, corporations, LLC and other entity-holding devices. See our training notes for these ownership configurations.

**Item 4** Insert subject property address as you sign up new owners. See instructor notes for comments.

**Item 5, Stip 1** Define the minimum amount of time you require to lease the property. (Like "60 days")

**Item 6, Stip 3(a)** Set your Procurement Fee for procuring a new tenant. This fee can be a flat dollar amount (like "\$1,000.00") or a % of a month's rent (like "50% of one month's rent") but be sure to state a minimum (like minimum \$950.00). if you have offered a tiered fee system, reference a separate document (or Exhibit) for details. Don't clutter up the PMA with all your fee options as it will change, morph and evolve over time and you don't want to be locked into it.

**Item 7, Stip 3(b)** Set a Renewal Fee to charge each time the lease renews (like "a half month's rent") or a flat amount (like "\$400.00"). Be sure to keep the proposed language of "every 13th month" on an extended lease so you can earn a Renewal Fee on leases longer than 12 months.

**Item 8, Stip 3(c)** Set your monthly fee. The monthly fee can be a dollar amount (like "\$200.00") or a % of the rent received (like "10% of the rent") but be sure to put a minimum (like "minimum \$80.00") and get a management fee whether there is rental income or not.

**Item 9, Stip 6(a)** State your company name as listed on your company checking account you use to receive rent and disburse money to the owner. (Like "Crown Management Trust Account")