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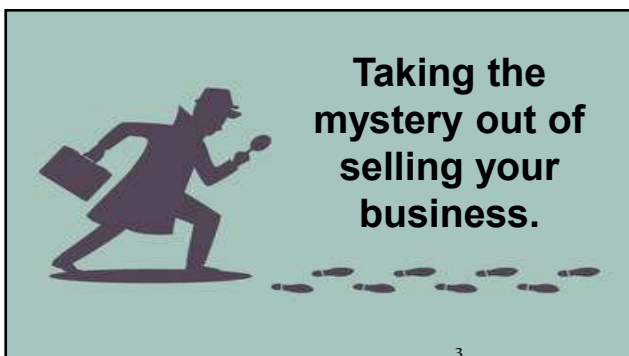
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<b>Operational</b>	<b>Legal</b>
<b>Metrics</b>	<b>Non disclosure</b>
<b>Reports to keep</b>	<b>Letters of intent</b>
<b>Revenue streams</b>	<b>Sales contract</b>
<b>Due diligence</b>	<b>Closing</b>
<b>Executive summary</b>	<b>Body armor</b>

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	<b>Attorney</b> <b>Monica Gilroy</b> Trial lawyer Property management 10 sales Multiple state
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	<b>Robert Locke</b> 35 years 14 acquisitions 1 downsize Cash out to a Fortune 500.
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**Reality**



**You're going to sell someday.**



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**You don't always have control over WHEN.**



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**Reality**



**No one wants your company.**



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**Big companies buy small companies and have all the infrastructure in place.**



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### Reality



**The only thing you have of value**

**Reliable revenue streams.**



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### Reality



**Buyers don't always want your ancillary businesses.**



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**Sales, HOA  
Maintenance  
Airbnb, Section 8  
Multi family  
Commercial.**



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**The larger the  
company  
The more focused  
they will be.**



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## Your Mission



**a. Structure lots  
of revenue  
streams**

**b. Make sure they  
are reliable.**



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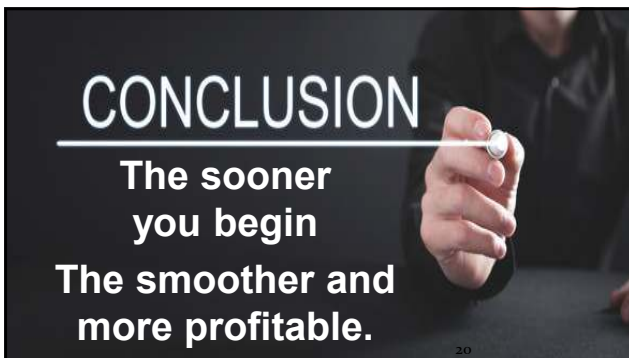
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**Remember**



The only thing you have to sell is reliable revenue streams.



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**Giving the owner the opportunity to leave any time.**



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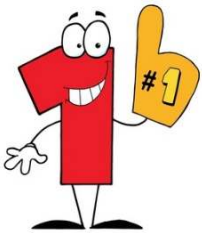
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**“Owner can terminate Manager with 30 days written notice.”**



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**This Agreement  
is 12 months  
then converts to  
month-to-month.**

← EYE →  
BROKER/OWNER  
Conference & Expo

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**#1 concern of  
buyers is  
owners leaving  
and revenue  
following.**

← EYE →  
BROKER/OWNER  
Conference & Expo

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**Conclusion**

**Giving the owner  
the freedom to  
leave reduces  
your company's  
value.**



← EYE →

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**OPTIONS**

**Tie the right to terminate to a vacancy.**



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**Lawyers will tell you  
You must have an end date.**

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**Tie the end date to an event  
A will  
Trust.**



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**“Owner can terminate this Agreement upon a vacancy and 30-day written notice.”**

REAL ESTATE VISION BROKER/OWNER Conference & Expo

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**Assignability clause**  
**Contracts are assignable unless there's language preventing it.**

REAL ESTATE VISION BROKER/OWNER Conference & Expo

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**When you sell you will most likely sell your management accounts.**

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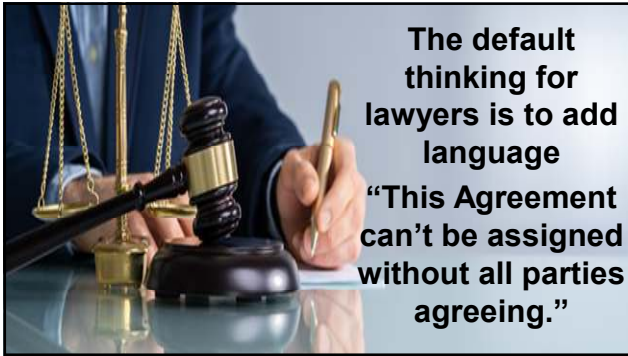
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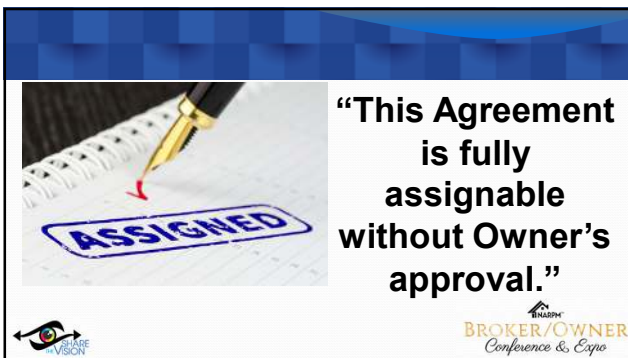
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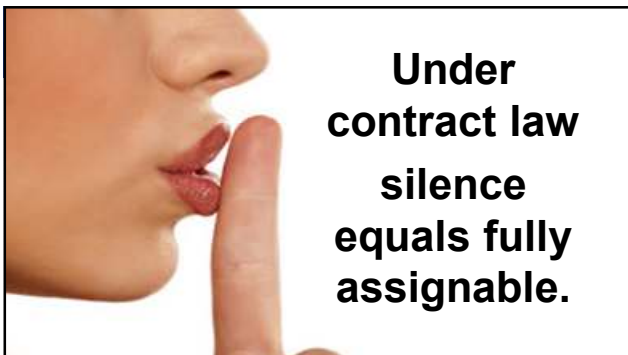
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**3** Adding outside third-party vendor's name to your lease.

REAL ESTATE VISION BROKER/OWNER Conference & Expo

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~~Manager + Vendor + Lease Exhibit Addendum + Tenant~~

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**Vendor**      **Manager**      **Tenant**

Service Agreements      Lease Exhibit Addendum

REAL ESTATE VISION BROKER/OWNER Conference & Expo

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**WHY? WHY? WHY?**

- 1. Never make promises you can't fulfill. You don't have control over outside vendor's performance**
- 2. Their problems become your problems.**

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**WHY? WHY? WHY?**

- 3. Better vendors come along**
- 4. You may become disappointed with their performance**
- 5. The company that buys you out likely won't want them.**

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**Adding vendors' names in the lease**

**Will hinder your chances to sell your company.**

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**Long convoluted documents make selling your company harder.**

REAL ESTATE VISION  
**BROKER/OWNER**  
*Conference & Expo*

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**MYTH**

**We must say everything in the PMA and lease And get them signed.**

REAL ESTATE VISION  
**BROKER/OWNER**  
*Conference & Expo*

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**Fantasy**

**If they sign it, I can hold them to it.**

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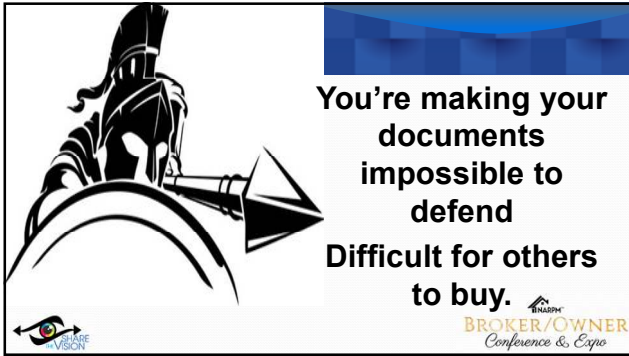
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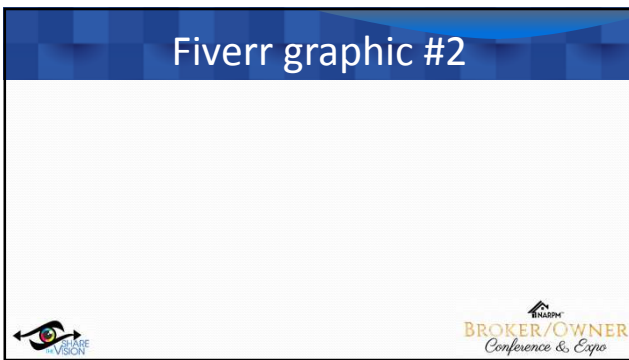
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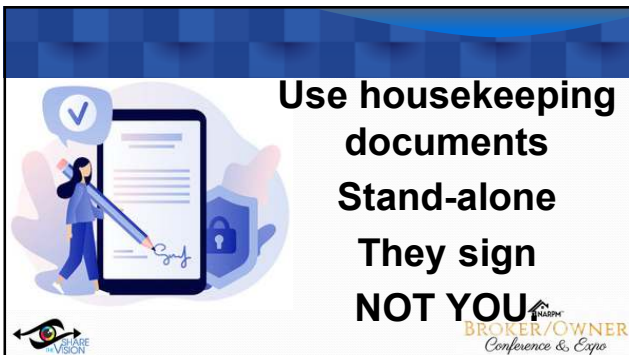
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**Conclusion**

If you want a defensible contract  
Keep them short  
PMA 6 pages  
Lease 10 pages.



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**Conclusion**

If you want a to build a model someone else wants to own,  
Keep documents short.



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**Tripping  
Points  
Partners**



BROKER/OWNER  
Conference & Expo

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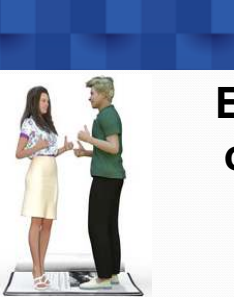
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**Everybody is on the same page when you start.**



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**Life changes  
Who's contributing?  
Who's distracted?  
Who's passive?**



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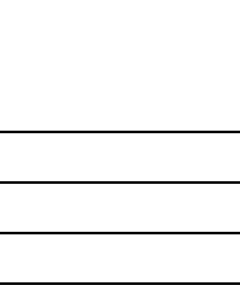
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**Work your way OUT of partners NOW  
To sell your company tomorrow.**



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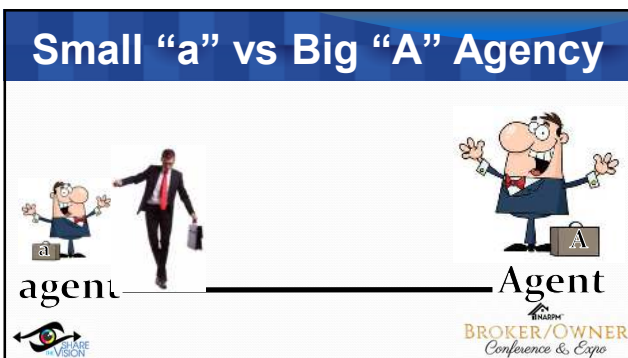
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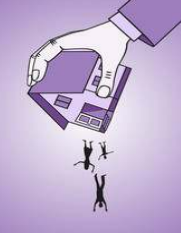
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**Owner approves applications**  
**Maintenance**  
**When to take rent**  
**File evictions**  
**When to renew.**



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## Conclusion

**Collaborating with the owner defeats scaling**  
**Hinders sale prospects.**



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**Morph over time to a Big A agency model.**



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**Tripping  
Points**

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**Bankrolling  
your clients**



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**Incur expenses  
Without having owner money to cover  
Grow receivables.**



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**It's vacant  
Emergency**

**We incur obligations  
to vendors**

**Hoping rent (or owner  
advance) covered it.**



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# Owner



**Pull the trigger  
Send an invoice  
Check's in the mail  
Take out of rent.**



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# Manager



**I hope the vendor  
will wait  
I'll pay the vendor  
and take payments  
from the owner.**



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# The larger the company, the bigger the problem.



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**Tripping  
Points**  
**Home spun  
record  
keeping**



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**Intelligent P&L  
Adopt NARPM  
accounting  
Records on rent  
collecting  
Monthly reports.**

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**Tripping  
Points**  
**Multiple  
property  
management  
agreements  
outstanding**



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## Problem

As you grow, you learn you keep tweaking  
Multiple management agreements.



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1. Renew agreements frequently
2. Adopt a PMA that won't need tweaking as you grow.



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3. If you have a PMA that addresses legal issues only, you won't need to modify it.
4. Right to modify language.



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**Convert all current management agreements to the same one  
One time.**



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**Do this BEFORE you need to sell.**



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**CONCLUSION**

- 1. You don't always know when you'll need to sell**
- 2. The goal is CASH IN  
Preparation is the key**
- 3. Big companies buy smaller companies.**



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**CONCLUSION**

- 4. The only thing you have to sell is your revenue. Lock them down
- 5. Shift to Big A agency
- 6. Never add outside vendors to your lease, exhibits or addendums



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**CONCLUSION**

- 7. Build short documents
- 8. Beware of partners
- 9. Practice Big A agency
- 10. Don't bankroll.



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**Preparation takes time  
Start NOW!**



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