

Goodman Lawyers

2017 THE LAW & YOU

Management Rights, Estates and Binding Financial Agreements

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1. MANAGEMENT RIGHTS

Known for its relaxed lifestyle and pristine beaches, Queensland is a popular destination for living, tourism and retirement. Management rights are an attractive business for retirees and new entrepreneurs

Three Basic Features:

1. Real Estate in the CTS
2. Caretaking Agreement
3. Letting Agreement

1.1 Why would you buy one?

- Identifiable and recurring returns
- Regarded as safe investment
- Business asset/income for your children or Family Trust
- Lifestyle choice



1.2 Issues to be aware of – buying or selling a business

- **Purchasing entity**
Company, partnership or trust?
- **Guarantor**
Are there any personal guarantees required?
- **Financial advice**
Is this a good financial decision for you?
- **Due diligence**
Are you getting what you're paying for?

1.3 Issues to be aware of— Management Rights Business

- Licencing
- Body Corporate requirements
- Caretaking duties
- Letting duties
- Letting Pool
- Tax and Superannuation
- Other questions

1.4 What happens in a Management Rights purchase?

Contract

1. Figures Verified
By Accountant

2. Legal Due
Diligence

3. Finance
Approval

4. Body Corporate
Approval

5. Training
(Pre-Settlement)

Settlement

Training (Post Settlement)

1.5 Your lawyer will...

- Check that you have the right structures
- Advise you on contract terms, your rights and your obligations
- Liaise with your accountant and your financier
- Conduct legal due diligence investigation of the business
- Ensure there are no problems or legal issues with the business
- Review by-laws and minutes of meetings
- Arrange transfer of management rights agreements and other associated property