

## Management Rights Business Sale Checklist

### 1. Body Corporate Caretaking and Letting Agreements

Ensure you have a copy on-site of both agreements together with 'variations' and 'assignment' deeds

Confirm actual term length and 'CPI' Increase/anniversary date

Confirm the potential application of the 3:2:1 Transfer Fee by the Body Corporate with your solicitor

### 2. Ensure Financial Records are up-to-date

Ensure that the business MYOB/computer file is up-to-date

Review 'Owners Outlays' and other expense accounts to exclude any payments not relevant to the management rights business

### 3. Obtain current set of 'Sales' figures

Contact your accountant to prepare current sales figures for the management rights business

Align sales figures date range with the date specified at clause K of the Management Rights Business Contract, if possible

### 4. Prepare detailed Plant and Equipment Listing

List all Plant and Equipment to be sold with the business (including a detailed description)

If software is not owned, do not put it on the Plant and Equipment schedule

If an asset is under finance (eg. PABX), do not put it on the schedule – consider paying out the lease (provided unencumbered)

If an asset is owned by the Body Corporate, do not put it on the schedule

### 5. Review Ownership – Website and Domain Name or Business Name

Confirm ownership of website (if relevant) and email addresses

Confirm business name ownership (more relevant to holiday/student accommodation)

**6. Review External Agreements**

Confirm agreements/contracts with outside parties (realestate.com, wholesalers, room allocation)

Preferable not to execute agreements for long term – since purchaser may not wish to proceed with these

**7. Ensure all Form 20a agreements are executed and valid**

Confirm all Form 20a agreements are on hand and signed by both parties (ie. the agent and owner)

Confirm how many agreements have an ‘assignment clause’

**8. Obtain recent Trust Account Audit Report**

Have most recent audit report available for purchaser’s accountant to review

Ensure your Licences are displayed at Reception

**9. Organise Office / Tidy-up / Filing**

Ensure office/business records present well and all filing is completed

Should you require any assistance at any stage of the sale process, do not hesitate in contacting the Resort Brokers Australia team.