

# Receiver appointed, medical practice sold, and new tenant secured.

BY PETER LEE & SIMON WATSON



## THE INSTRUCTION

In February 2021 P.M. Lee & Co Lawyers successfully completed a complex instruction involving the appointment of a receiver to a medical practice, the sale of the business and the securing of a new tenant for the premises.

- We acted for the owner of commercial property leased to a medical practice.
- The tenant was over 1 year behind in rent and previous Solicitors (a well-known larger firm) had made no progress in recovery.
- We identified that the lease contained a remedy allowing for the appointment of a receiver to manage and sell the business of the tenant in the event of default.
- A receiver and manager was appointed.
- We thereafter represented the receiver and assisted with negotiations, drafting and advice relating to the management and sale of the business.

## THE CHALLENGES

Issues we had to consider and advise on included:

- powers and obligations of receivers,
- the rights of employees and contractors,
- independent valuations,
- negotiating agreements to retain the doctors at the practice,
- considering and advising on employee entitlements and other competing creditor claims in the event of insolvency,
- a tender process to secure best terms of sale,
- acting for both landlord and receiver and managing potential conflicts, drafting and managing completion of the sale of business agreement,
- negotiating and securing a new lease on terms

favourable to the landlord, and

- balancing the work and risks against a tight budget.

## THE OUTCOME

Our clients were very pleased with the outcome because:

- the business was sold at an acceptable price,
- the receiver was paid for services rendered,
- the landlord secured a long-term tenant and recovered arrears of rent, and
- medical services can continue for the residents in the area.

If you need advice on leasing, recovery of arrears, or other defaults, possible insolvency or other property matters, please call Peter or Simon for an obligation free discussion.

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