

2015 HOSPITALITY LAW CONFERENCE

FEBRUARY 9-11, 2015



Hotel Sales and Interim Management Agreements

Presented by:

Grace Yang, Esq.

GrayRobinson, P.A.

PRESENTERS



Grace Yang

Shareholder, GrayRobinson, P.A.

- ❖ Based in Tampa, Florida
- ❖ Member of the firm's hospitality industry, alcohol beverage and food, and land use teams



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INTERIM MANAGEMENT AGREEMENTS

Interim management agreements are agreements formed out of necessity in a deal because the parties involved need more time to complete certain tasks.


Definition of interim: a period of time in between events

These agreements are meant to be *temporary*.




AREAS COVERED IN AN INTERIM AGREEMENT

An interim management agreement could cover one or more areas.

1. Management of lodging operations, such as handling of reservations, front desk, and guest services
 2. Housekeeping
 3. Hotel facilities (elevators and pools, for example)
 4. Food and beverages
- 

WHO ARE THE PARTIES TO THE AGREEMENT?

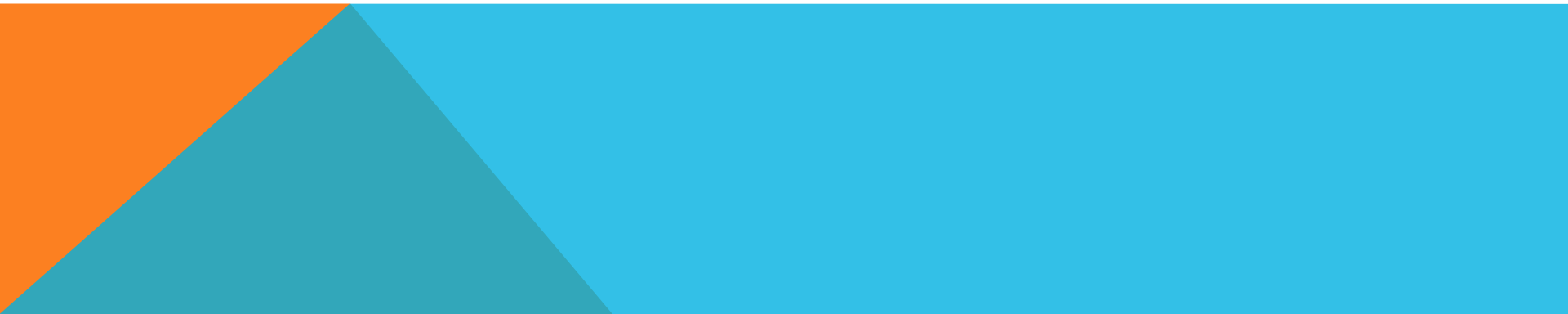
- Hotel or restaurant seller
 - Hotel or restaurant buyer
 - Lessee
 - Outgoing operator/management company
 - Incoming operator/management company
 - Franchisor
 - Franchisee
- 

CONTROLLING ELEMENTS

Is there an existing management agreement? If so, what are the terms for termination, assignment, or assumption?

Is there an existing franchise agreement? If so, what are the terms for termination, assignment, or assumption?

Interim management agreement terms are negotiable depending on given parameters of the hotel or restaurant deal.



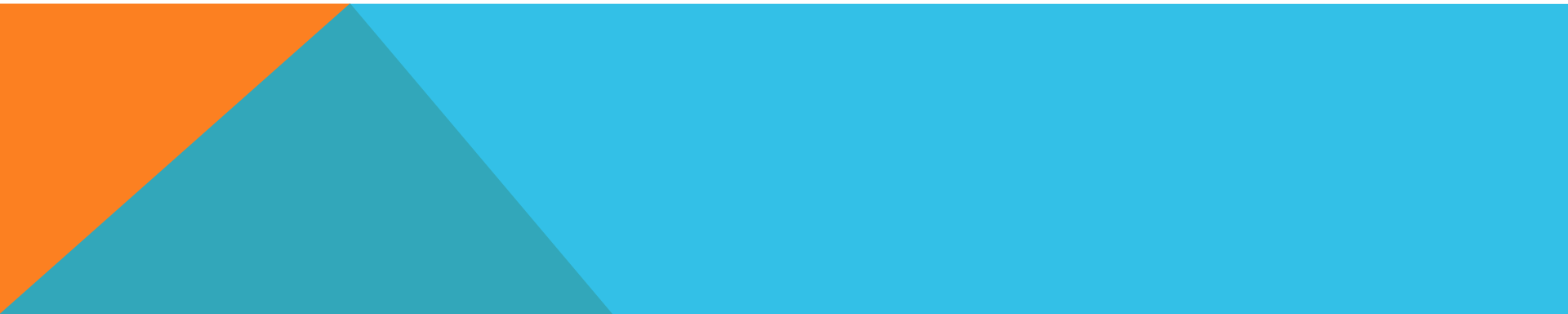
KEY CONSIDERATIONS

Term of the agreement– how much time are the parties agreeing to operate under the agreement? Clearly define the interim period.

Financial arrangements– how will the parties be compensated in the interim period?

Labor and employment – managers and employees operating in the interim period.

Indemnification



ARE INTERIM AGREEMENTS FOR ALCOHOL SERVICE ALLOWED?

Determine based on state and/or local alcohol laws

Term of the agreement– how much time are the parties agreeing to operate under the agreement? Clearly define the interim period.

Financial arrangements– how will the parties be compensated in the interim period

Labor and employment – managers and employees operating in the interim period.

Responsible alcohol vendor training for managers and employees

Indemnification



SPECIAL REASONS THAT REQUIRE INTERIM AGREEMENTS

Foreclosure of a business

Bankruptcy of a business

Failure of a franchisee



TODAY FROM 1:30 PM TO 2:30 PM

**Please join us at
the roundtable!**



CONTACT INFORMATION

Grace Yang, Esq.

GrayRobinson, P.A.

401 E. Jackson St., Suite 2700

Tampa, FL 33602

Tel: 813-273-5043

grace.yang@gray-robinson.com

Thank you for attending and listening!

