POINT – COUNTERPOINT: THE LAWYERS’ DEBATE ON CONTRACTING

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Introduction

- State of the Industry
- Doing More With Less
- Patience with Civility
- Short-Term Contact But Long-Term Relationship
So How Do We Reach Agreement?

- Know Your Needs
- Understand Other Party’s Perspective
- Recognize Common Challenges
- Overcome Objections
- Reach Terms of Agreement
ATTRITION AND CANCELLATION CLAUSES SHOULD ALWAYS INCLUDE CREDIT FOR ROOMS RESOLD
A HOTEL CANNOT CHARGE THE F&B SERVICE CHARGE ON ATTRITION OR CANCELLATION, SINCE NOTHING WAS SERVED.
CANCELLATION CLAUSE THAT REQUIRES GROUP TO PAY 100% OF CONTRACTED ROOMS AND FOOD AND BEVERAGE REVENUE FOR A SHORT-TERM CANCELLATION IS ENFORCEABLE
A HOTEL CAN CHARGE TAXES ON ATTRITION OR CANCELLATION DAMAGES
CITYWIDE CONTRACT IN WHICH GROUP DOES NOT COMMIT TO A ROOM BLOCK BUT SIMPLY PROMISES IT WILL TRY IN GOOD FAITH TO OCCUPY ROOM BLOCK IS NOT AN ENFORCEABLE CONTRACT
GROUPS SHOULD ALWAYS ASK HOTEL TO AGREE THAT NO OTHER GROUP IN-HOUSE WILL GET A LOWER RATE
GROUP IS ENTITLED TO LIST OF ALL ATTENDEES TO ENSURE IT GETS CREDIT FOR ALL OF ITS ATTENDEES WHO MAY HAVE BOOKED AROUND THE BLOCK, OUTSIDE THE BLOCK, ON PRE AND POST NIGHTS AND AT LOWER RATES
“CURTAILMENT OF TRANSPORTATION” AND “OTHER EMERGENCIES” SHOULD BE INCLUDED AS ITEMS TRIGGERING A FORCE MAJEURE CLAUSE
A CONFIDENTIALITY CLAUSE IN AN ADDENDUM PRESENTS RISKS WHICH HOTELS SHOULD NOT ACCEPT
GROUP SHOULD HAVE THE RIGHT TO GET OUT OF CONTRACT IF THERE IS CHANGE IN MANAGEMENT OR OWNERSHIP
HOTEL SHOULD DISCLOSE IN NEGOTIATION AND IN CONTRACT ALL FEES, COSTS AND EXPENSES THAT GUEST WILL BE REQUIRED TO PAY AND NOT BE ALLOWED TO CHARGE ANY UNDISCLOSED FEES AND AMOUNTS.
GROUP SHOULD HAVE UNFETTERED RIGHT TO USE ITS OWN VENDORS SUCH AS AUDIO/VISUAL, DMC, DECORATOR, ETC.
HOTELS WILL DISCLOSE IN NEGOTIATIONS AND FINAL CONTRACT ALL HOUSE RULES.
HOTEL SHOULD PROMPTLY DISCLOSE ANY GOVERNMENT OR AGENCIES CITATIONS AS TO HEALTH AND SAFETY OR LEGAL ACTIONS WHICH COULD IMPACT EVENT - AND STEPS IT IS TAKING TO REMEDIATE THE SITUATION.
What Else is On Your Mind?
Follow Up

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Naomi is a member of the American Society of Association Executives and serves on ASAE’s Association Law & Policy Committee; the Association Forum of Chicagoland; and the Chicago Bar Association; and is a past chair of the Chicago Bar Association’s Trade and Professional Association Committee. She is a graduate of UCLA and DePaul University College of Law where she was a member of the DePaul Law Review.
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