



Sharpen Your Negotiation Skills for Current-Day Contract Conversations

Heather Reid ARCT MSc | June 25, 2020

RISK



Agenda

Purpose of Event

Termination

COVID-19 Provision

Miscellaneous

Q & A



Disclaimer

Presenter is not a lawyer. This session is a discussion of meeting industry best practices from a meeting planner's perspective and does not constitute legal advice.

Legal advice can only be rendered after a discussion of your specific circumstances with an attorney competent in meetings law.



Negotiations work best...

when both sides start with what they “need”

and move toward the middle with what they “want”!



Purpose of Event

PURPOSE of EVENT

- What kind of event is it?
- How often is the event held?
- Who are the typical attendees?
- What are the major components of the event?
- Where do the attendees come from geographically?

PURPOSE of EVENT

- Are there any specific risks associated with your event?
- Are there any special details that could affect event?
- What is the critical mass needed to make the event viable?
- How long does the event take to plan?



Termination

TERMINATION

- AKA: Impossibility | Force Majeure | Acts of God |
Excuse of Performance
- Examples include:
 - Terrorism / risk of terrorism
 - War
 - Natural disasters
 - Strikes (except from party invoking clause)
 - Disease / epidemics / pandemics
 - Curtailment of transportation facilities
 - Government regulations....
 - Civil disorder

TERMINATION

TYPICAL contract:

- Either party can cancel
- Includes only condition of “impossible”
- Includes option of “termination” only

TERMINATION

BALANCED contract:

- Either party can terminate

BALANCED contract:

- Considers all 3 levels of Force Majeure
impossible | impracticable | frustration

BALANCED contract:

- Considers all 3 levels of Force Majeure
impossible | impracticable | frustration

IMPOSSIBLE: an objective decision

BALANCED contract:

- Considers all 3 levels of Force Majeure
impossible | impracticable | frustration

IMPRACTICABLE: external matter that has made the hosting of the event or the availability of the facility more burdensome or unsafe

BALANCED contract:

- Considers all 3 levels of Force Majeure
impossible | impracticable | **frustration**

FRUSTRATION OF PURPOSE: act of preventing the accomplishment or fulfillment of something

TERMINATION

BALANCED contract:

- There is a time frame in which the Force Majeure event can occur
 - up to 30, 60, 90, 120 days prior

BALANCED contract:

- There are general AND specific examples, such as:
 - Disease, epidemic, pandemic
 - Government advisories, recommendations, mandates, laws, statutes and orders
 - Federal, provincial, local, foreign government

TERMINATION

BALANCED contract:

- There are general AND specific examples, such as:
 - Any act or occurrence creating a significant risk to the health and safety of potential attendees
 - Unavailability of # of hotel rooms required
 - Specify “COVID-19 or related disease”

BALANCED contract:

- Indicates return of any deposits or using the FULL deposit towards future booking
 - Specify timeframe for return of deposits

TERMINATION

BALANCED contract:

- Indicates how notice is to be given & delivered

BALANCED contract:

- IMPRACTICABILITY (aka: diminished performance)
 - Accounted for in guestroom block
 - Accounted for in meeting space rentals
 - Accounted for in food & beverage expectations



Covid-19 Provision

COVID-19 PROVISION

What could be included?

- 2 – 6 months prior to event dates, Venue to provide Event Host with list of changes to services & facilities expected to be in place at time of event

COVID-19 PROVISION

What could be included?

- Venue to implement protocols and best practices to protect health of attendees and staff in accordance with:
 - government standards
 - Venue policies and standards
 - commercial practices
 - Event Host's requirements

COVID-19 PROVISION

What could be included?

- All cleaning and sanitization protocols and practices should meet or exceed standards of care

COVID-19 PROVISION

What could be included?

- Venue should indemnify Event Host from claims or damages or judgments arising from the Venue's failure to comply with agreed-upon standards

COVID-19 PROVISION

What could be included?

- Event Host has right to terminate contract if Venue does not uphold provisions or required measures make it too restrictive to perform



Miscellaneous

MISCELLANEOUS

Review Clause

Create an opportunity to have a conversation with the Venue to assess the current realities for Event Host to:

- Re-assess Room Block
- Re-assess Meeting Space
- Re-assess Food & Beverage Commitment

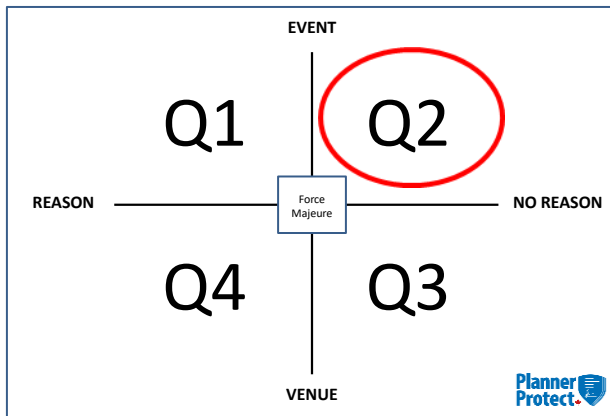
MISCELLANEOUS

Rate Protection

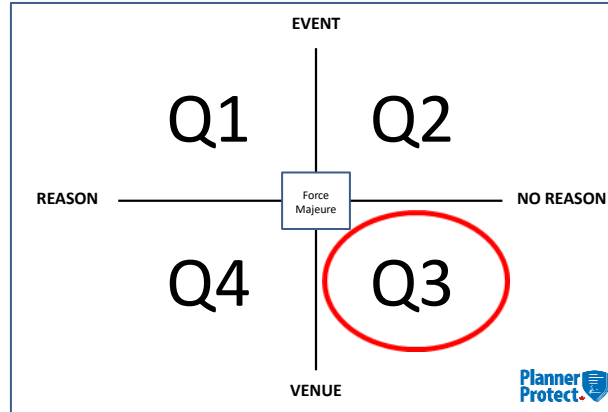
Request language that ensures your rates are:

- on par with other group business in the Venue itself and in competitive venues in the immediate area
- in line with economic conditions, such that a significant downturn can be reflected in renegotiated rates

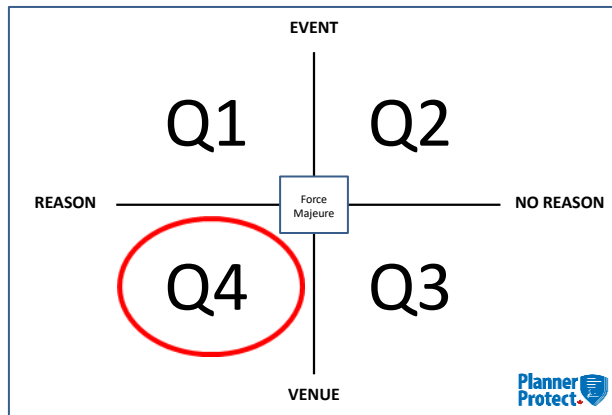
Cancellation Clause



Cancellation Clause



Cancellation Clause



MISCELLANEOUS

Postponement Clause

Request language that, in the situation of possible or pending termination, allows the Event Host to reschedule the event without constituting a breach of the contract or incurring damages



MISCELLANEOUS

No New Fees

Request language that indicates that the Venue has fully disclosed all relevant fees or surcharges

MISCELLANEOUS

Deposits

In the language concerning deposits, consider the following:

- Stipulation that they will be returned in the case of termination
- Stipulation that they will be carried forward fully in the case of postponement
- Request to use escrow services to protect your finances



Final Thought:

**Before a contract is signed,
It's called NEGOTIATIONS.**

**After a contract is signed,
It's called BEGGING.**

John Foster Esq



Questions?

**Heather Reid
519-318-5194 (cell)**

Heather@PlannerProtect.ca