

NEWSLETTERS

Strong Language In Contract Necessary To Address Hotel Cancellation

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With increased demand comes the possibility of hotels replacing contracted association business with corporate business. Other recent circumstances for hotel cancellations include hotel closure for renovations or so that the hotel may be converted in whole or part to condominiums. When cancellation by the hotel occurs – regardless of the circumstance – groups need to ensure that they are protected with strong language in the hotel contract which provides for the recovery of all costs associated with moving the meeting to an alternate hotel as well as indirect damages and attorney's fees.

While groups never anticipate hotels cancelling the contract, it does happen and groups need to be prepared to address this contingency. Often these cancellations occur because the hotel has a more profitable piece of business over the contracted dates. Other times, cancellations by hotels may occur if the hotel is closing for renovations or to be converted to condominiums. Regardless of the reasons, groups should include language in their contracts addressing this contingency such as the following:

Cancellation by Hotel - In the event of a cancellation of this Agreement by the Hotel not otherwise permitted under this Agreement, the Hotel shall pay Group for all direct, indirect and consequential damages, expenses, attorney's fees, and costs incurred by Group on account of such cancellation including, but not limited to, staff time and travel expenses to secure an alternate location for the Event, incremental room rate and air fare differential, function space rental, and air fare differences, and long distance telephone, postage, and printing costs.

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