

Model Protective Language for Event Contracts

Excused non-performance language and how it can protect your organization

Most excused non-performance and force majeure clauses protect organizations from so-called “acts of God.” However, many such clauses address other extraordinary events such as labor disputes, and an increasing number of these clauses include language that indemnifies organizations for meeting cancellations which are caused by labor disputes. Such language has been successfully used by many organizations for this purpose.

More and more meeting planners recognize that they need to protect themselves and their organizations from the potentially negative effects of labor disputes in this manner, and leading industry resources have begun to reflect some of those concerns. In the 2/1/04 issue of *Religious Conference Manager*, a report entitled “Negotiating and Contracts” specifically mentions unions in the section on negotiating contracts’ cancellation clauses.

With the right language, you should be able to cancel your meeting contract without penalty in the event of a labor dispute.

The following clause can help protect the group in case of labor dispute:

. EXCUSED NON-PERFORMANCE DUE TO LABOR DISPUTE. Notwithstanding anything in this Agreement to the contrary, if performance hereunder would foreseeably involve [Group] in or subject it to the effects of a boycott, strike, lockout, picketing or other labor dispute and [Group] therefore withholds, delays or cancels performance, it shall have no liability there from, provided that [Group] may not withhold, delay or cancel performance based upon a labor dispute involving its own employees. In the event of a cancellation under this Section, neither [Group] nor its members shall have any future obligation under this Agreement, and any deposits or other payments made to the Hotel by [Group] or its members to reserve rooms or other space for use, and/or for services to be provided, shall promptly be refunded to [Group] or its members. This Section shall supersede all other provisions of this Agreement and shall be construed and enforced in accordance with the laws of the State of [Group’s home state here].

In addition to the above, it would be helpful for the hotel to be required to disclose to the group any labor disputes, according to the following clause:

. NOTIFICATION OF LABOR DISPUTE. The Hotel agrees to notify [your Group] in writing within ten (10) days after it becomes aware of any labor relations dispute involving the Hotel and its employees including, but not limited to, union picketing, the filing of an Unfair Labor Practice charge by a union, the expiration of a negotiated labor contract, an existing or impending strike or lockout or any other matter which could reasonably be construed as a labor-management relations dispute.

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