

Subject: NEGOTIATING HOTEL CONTRACT ADDENDUMS

Negotiation News

the norman group llc

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A WELL - THOUGHT OUT ...

WELL WRITTEN...

CONTRACT ADDENDUM

MAY EARN YOU A PROMOTION!

YOU WILL CERTAINLY SAVE MONEY FOR YOUR COMPANY!

The word, "Addendum" is defined as "Something to be added, esp. to a document; a supplement" by Black's Law Dictionary, third pocket edition, [Bryan A. Garner, Editor in Chief, St. Paul Minnesota 2006].

Addendums allow you to customize your hotel contracts specifically for each and every meeting you book.

If well thought out and negotiated in a fair, honest and straightforward manner, you should be able to minimize your company/client's liabilities to a great degree by using Addendums to your contracts.

An Addendum is not a duplication or repetition of a contract. An Addendum is a separate document that becomes incorporated into the hotel contract when signed by both parties and is defined as such on its first page. After you review your hotel contract, determine what other clauses you would like to negotiate and develop your

Addendum according to the needs of your company's/client's meeting. Be certain to line out any conflicting clauses that appear in the hotel portion of the contract, initial and date them, as well. The accepted clauses will be determined during the negotiation process between you and the venue, corrected appropriately and finalized at that time. Keeping your Addendum on your own company stationery is an excellent method of avoiding any possible misinterpretations of what has been requested by you and agreed upon by both of you.

Some sales managers note that it's best to type your clauses into their contract because a separate Addendum could possibly come apart from the hotel contract at some point. I don't buy this thinking, mainly because important legal documents are written separately by lawyers every day and then attached to one main document without error or loss. Fortunately, many hoteliers understand this and will do as you wish. In addition, if it's necessary to change some of the wording in your Addendum, you should make the corrections yourself and then send your copy off to the hotel along with the signed contract.

I have used Addendums for every one of my bookings over many years, successfully.

When Hotel attorneys create contracts for the properties they represent, it would be absolutely impossible for them to be able to address each and every nuance and need that all of the companies booking their said properties require. Those attorneys write contracts that will avoid liability for their clients as much as possible, and of course, this is understandable. However, the attorneys certainly realize that some of their clauses will be challenged; as well they should be, to be fair. A hotel contract is not a "one size fits all" sort of document. Hotelier and Planner liabilities must be shared to be fair and equitable as each entity is in the business of making money for his/her company and sharing liabilities is the only way in which both parties can succeed in these efforts. While business isn't always "fair", it is honorable to pursue the possibility of this value for both parties in terms of forming long lasting, strong business relationships for the present and the future. Thus, the Addendum serves as a good determination for this situation. The final result is a customized contract for your meeting.

Addendums are negotiated in the same manner as a hotel contract; they will contain specific clauses that are important to the company booking the business but are not expressed in the hotel portion of said contract at all, or perhaps not in the way the meeting sponsor wishes them to be written. On many occasions, these certain specifications are really not as important to the venue, and are easily accepted, so both parties are satisfied, and this is the resolution that is desired. Conversely, if a hotel cannot or does not wish to agree to one or some of your clauses, it's prudent to ask for something else the hotelier might be more easily able to agree to instead. By working together, amicably, a conclusion can be reached without great effort.

There is no question that you will be able to save your company a significant amount of money by seriously studying clauses that appear in hotel contracts and by writing well-thought out Addendums in order to minimize the liabilities for your company's conferences and events. My own experiences have proven this to be true over and over

again.

Addendums have to be customized for each hotel and meeting booked, of course, due to different conditions, business structures, personnel and property restrictions. After you receive a contract from the hotel, review it carefully and then prepare your Addendum accordingly. There is no reason for an Addendum to become confusing or to affect a hotel contract negatively in any way if the concept is regarded intelligently with a positive attitude on the part of both persons involved in the negotiation.

Thoughtful, careful and knowledgeable negotiation is important in order to be certain that the clauses in your Addendum reflect your wishes even if you are occasionally asked to change their wording a bit to be more acceptable to the hotel.

AN ADDENDUM IS A GOOD THING. It is wise, especially in our present economic conditions, for Hoteliers and Planners to work together. It is imperative to consider what is important for both parties in order to succeed in today's challenging climate.

By writing and using Addendums, your knowledge will be greatly heightened which in turn will lift your negotiating expertise to a higher and more important level.

As you become more confident and more adept at negotiating specific clauses that will clearly result in your company's/client's savings, your skills will escalate which will result in increased value to your company/client. If you are a Planner, this may warrant a promotion for you. If you are a Company Planner OR an Independent Meeting Planner, this enhanced competency will assuredly provide more job security for you.

Knowledge is definitely a reflection of power and it will bring you great benefits.

A COMPLETE FOUR-PAGE ADDENDUM SAMPLE

appears in my book,

**CONTRACT ADDENDUMS WITH NEGOTIATION TECHNIQUES
THAT WORK!**

EXPLICIT INSTRUCTIONS FOR WRITING ADDENDUMS ARE INCLUDED

There are 55 "Tried and True" clauses, explanations and techniques in this book for use in your Addendums when negotiating liabilities of all kinds. I know, without any reservation whatsoever, that you will find this book to be immensely helpful as a daily reference source to have on your desk.

SEE HOW TO ORDER, BELOW:

the norman group llc
REFERENCE BOOK ON NEGOTIATING

CONTRACT ADDENDUMS WITH NEGOTIATION

TECHNIQUES THAT WORK!

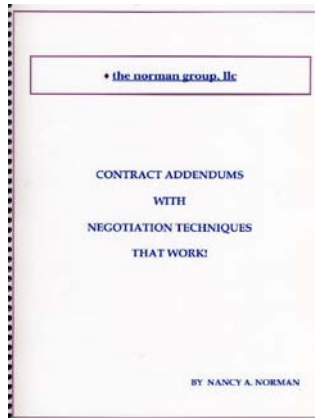
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FOR A 20% MEMBER DISCOUNT OR

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THIS 125 PAGE REFERENCE BOOK ALSO INCLUDES A CANCELLATION CLAUSE WITH A UNIQUE FORMULA FOR CALCULATION, FORMS FOR ATTRITION CALCULATION FOR GUEST ROOMS AND F+B, TWO RFP CHART FORMS; HOTEL CONCESSIONS, FIFTY- FIVE (55) UNIQUE CLAUSES WITH EXPLANATIONS AND NEGOTIATION TECHNIQUES I HAVE USED, AND MUCH MORE

MY AVAILABLE WEBINARS

1. ADVANCED CONTRACT NEGOTIATIONS: Negotiating in Changing Times
www.meetingsfocus.com/webinars/081119.asp

2. UNDERSTANDING HOTEL SALES CYCLES
www.meetingsfocus.com/webinars/080326.asp

The webinars are archived and available for viewing whenever you wish!

SOME SUGGESTED CLAUSES TO USE IN YOUR ADDENDUM

- 1. Hotel Performance**
- 2. Fire Safety, Health and Building Codes**
- 3. Guest Room Reservations/Attrition [Comprehensive]**
- 4. Alcoholic Beverage Service**
- 5. Cancellation by Group with Formula for Damages**
- 6. Cancellation and/or Bumping by Hotel**
- 7. Food and Beverage Damages/Food Allergies**
- 8. Hotel Concessions**
- 9. Resell Clause**
- 10. Termination/Excuse of Performance**
- 11. Americans With Disabilities Act: Title III**
- 12. Non-Compete**
- 13. Exhibitors/Contractors Liabilities**
- 14. Significant Decline in the Economy**
- 15. Group Meeting Space**
- 16. Hotel Renovations/Construction**

TIPS:

*** Reference your Addendum on the top of the first page and the last page with the following:**

“Addendum A, by reference here, becomes incorporated into this contract in toto and becomes binding when signed by both parties.” (Initial and Date)

*** Add on the last page of the hotel portion of the contract just above the signature lines:**

“The (Name of your company) will not be liable for any clause(s) not appearing in this contract.”

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