

Keeping Your Head Above The Weeds:

Managing Contractual Risk With Your Association Conferences



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Agenda Outline

- Understand and Mitigate Common Risks in Hotel and Convention Center Contracts
- Who is Liable?
- Communication Options to attendees and members
- Making the right decisions for your organization



Agenda Game Plan

- Review of Common Contractual Risks
- Group Workshops
- Advanced Risk Topics—Letters of Intent, Disclosure, etc.
- Identify What Real Risk You Could Avoid



Understanding the Risks

➤ Risks Go Into **Three Buckets**

1. Financial Risks

- Attrition
- F&B Financial and Concession Performance
- Cancellation
- Ancillary Costs
- Deposits, nonrefundable?



2. Liability Risks

- Injuries
- Damage to Property, etc.
- Association, Board, Individuals



3. Planning Risks

- Force Majeure
- Construction / Renovation
- Changing Flags, Labor Issues, Bankruptcies, etc.



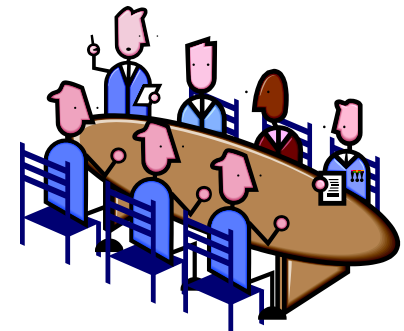
Understanding the Risks (continued)

- Sometimes the buckets are combined
 - A Liability Risk could affect your financial situation
 - A Planning Risk (Force Majeure) could affect other liabilities to attendees, suppliers, etc.



Mitigating Those Risks

- All three risk buckets can be addressed in facility and vendor contracts specific to events
- But, Associations have to take responsibility as well:
 - ✓ streamline communications internally and with members, attendees, suppliers and exhibitors
 - ✓ Be mindful of due dates in contract language
 - ✓ Identify decision making and budgetary authority both in regular times and in “emergency” times
 - ✓ Possess knowledge of attendees, event history, current events affecting members, venues, etc.
 - ✓ Create a contracts checklist, have an emergency plan and seek expert contractual advice



Using Contract Clauses to Mitigate Financial Risks

- Attrition
- F&B Financial Requirement
- Cancellation
- Unanticipated Costs



Using Contract Clauses to Mitigate Liability Risks

- Indemnification
- ADA Compliance
- Acts of Third Parties



Using Contract Clauses to Mitigate Planning Risks

- Force Majeure
- Construction
- Changing Flags
- Organized Labor

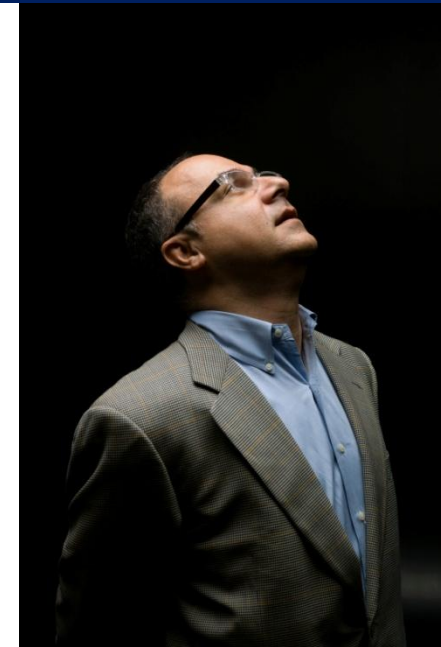


Who is liable for contract?

**You? Association? Volunteer? Board?
Attendees? It depends !!**

Protect your Organization by Developing:

1. Awareness of Principal/Agent Rules
2. Policies & Procedures for contract signing authority
3. Signers always include your title, organization name and date in signature line
4. What about hand written changes?
5. Identify which titles have signing authority on-site



Communication Options

Attendees



Exhibitors



Group Exercises



- Introduce yourself to your table
- Review Case Study #1 (5 – 7 minutes)
- Discuss the pre-event concerns
 - Which contract clauses would mitigate your risk?
 - What can be done if contract clauses do not exist to mitigate the risk?
- Choose someone who may speak for your group

Case Study #1

- Bird Watchers Association
- Review and Discuss Materials
- Share Examples
- Learning Objectives



Case Study #2

- Sun Bathing Association
- Review and Discuss Materials
- Share Examples
- Learning Objectives



Case Study #3

- Polka Party Association
- Review and Discuss Materials
- Share Examples
- Learning Objectives



Litigation v. Arbitration/Mediation

- Definition of ADR (not average daily rate !)
- Is ADR required?
- Arbitration = “new litigation”
- Litigation less popular
- Cost / Timing of Arbitration v. Litigation
- Benefits of Arbitration



Other Ways to Keep Your Head Above the Weeds

- Letters of Intent
- Disclosure of Commissions
- Identify What Risks You are Going to Avoid

