

1

00:00:32,000 --> 00:00:34,433

Hello, everyone.

2

00:00:34,549 --> 00:00:36,549

My name is Heather Reid.

3

00:00:36,549 --> 00:00:40,600

I am so excited that you are investing your precious time with me today.

4

00:00:40,666 --> 00:00:42,883

I love what we're talking about.

5

00:00:42,950 --> 00:00:45,283

It kind of really gets me going.

6

00:00:45,350 --> 00:00:48,399

So, I use she her pronouns, and

7

00:00:48,416 --> 00:00:52,066

for those of you using accessibility technology, I'm

8

00:00:52,066 --> 00:00:55,366

a 61 year old white female, and I've got ash colored

9

00:00:55,366 --> 00:00:58,416

hair, red glasses, and I'm wearing a navy blue top.

10

00:00:58,500 --> 00:01:00,766

And I'm coming to you from my home office.

11

00:01:00,833 --> 00:01:03,883

As a reminder for every single

12

00:01:03,899 --> 00:01:06,466

episode of event contracts exposed.

13

00:01:06,533 --> 00:01:09,583
I am not a lawyer, and

14
00:01:09,599 --> 00:01:13,200
nothing that we discuss here should be considered legal advice.

15
00:01:13,250 --> 00:01:16,849
This is all about education, insights,

16
00:01:16,849 --> 00:01:20,750
and practical strategies offered by a seasoned

17
00:01:20,750 --> 00:01:25,066
event planner, which would be me with more than 30 years of
experience.

18
00:01:25,133 --> 00:01:28,733
So for those listening live or on replay.

19
00:01:28,799 --> 00:01:32,216
I would love to see your comments or questions about

20
00:01:32,216 --> 00:01:36,650
these wording warnings that I will be touching on today.

21
00:01:36,716 --> 00:01:38,716
So let's get into the learning.

22
00:01:38,716 --> 00:01:40,266
So.

23
00:01:40,266 --> 00:01:42,700
For folks

24
00:01:42,716 --> 00:01:45,950
that see my LinkedIn content, you may already

25
00:01:45,950 --> 00:01:51,650

know that wording warnings are part of what I post.

26

00:01:51,716 --> 00:01:54,883

I love creating them, I love finding

27

00:01:54,900 --> 00:01:59,516

them and sharing what I've encountered when reviewing a contract.

28

00:01:59,566 --> 00:02:03,633

For those who have not yet encountered one of them in your feed.

29

00:02:03,716 --> 00:02:07,183

The premise of wording warnings is quite simple.

30

00:02:07,250 --> 00:02:10,783

Wording warnings are short, practical

31

00:02:10,800 --> 00:02:15,000

posts that spotlight, risky, event contract language.

32

00:02:15,650 --> 00:02:20,199

That at 1st glance might seem okay, but they really aren't.

33

00:02:20,266 --> 00:02:23,916

Or they often make it overlooked.

34

00:02:24,000 --> 00:02:27,000

Or I fear that sometimes they're

35

00:02:27,000 --> 00:02:30,949

not critically thought through by event professionals.

36

00:02:31,066 --> 00:02:34,183

So I share these wording warnings as I

37

00:02:34,199 --> 00:02:37,849

encounter them, knowing that they help event professionals

38

00:02:37,849 --> 00:02:41,316

spot red flags, uh, which ultimately protect

39

00:02:41,333 --> 00:02:44,333

their organizations and help them to negotiate smarter.

40

00:02:44,449 --> 00:02:47,616

So the 1st one that I want to look at.

41

00:02:47,699 --> 00:02:51,050

Um, and this is the format in which I post them online.

42

00:02:51,116 --> 00:02:55,316

It's this big yellow dot with the words wording, warning on the bottom.

43

00:02:55,366 --> 00:02:58,483

So this 1st one is about substitute space.

44

00:02:58,550 --> 00:03:01,599

The contract language that I've extracted

45

00:03:01,616 --> 00:03:05,333

here is about substitute space in a venue.

46

00:03:05,400 --> 00:03:09,949

And the draft venue contract read as follows.

47

00:03:10,016 --> 00:03:13,433

The hotel reserves the right to

48

00:03:13,433 --> 00:03:17,033

make reasonable substitutions in meeting and

49

00:03:17,033 --> 00:03:20,983

banquets rooms so long as the substitute

50

00:03:21,000 --> 00:03:23,566
space is equal in size.

51
00:03:23,633 --> 00:03:29,333
If the group requires the hotel to agree not to substitute space.

52
00:03:29,400 --> 00:03:32,699
Additional charges will apply.

53
00:03:32,816 --> 00:03:36,833
Okay, take that one in.

54
00:03:36,900 --> 00:03:38,900
Isn't that crazy?

55
00:03:38,900 --> 00:03:41,750
My concerns with this language are twofold.

56
00:03:41,816 --> 00:03:44,866
One, since when is

57
00:03:44,866 --> 00:03:48,583
equal in size, the only parameter

58
00:03:48,599 --> 00:03:52,666
for determining appropriate or equivalent space.

59
00:03:52,733 --> 00:03:55,783
And two, if the group

60
00:03:55,800 --> 00:04:00,416
doesn't agree to substitute space, then it

61
00:04:00,416 --> 00:04:03,349
says they will apply additional charges.

62
00:04:03,416 --> 00:04:07,316
So I think WTH, like, that's that's crazy.

63

00:04:07,366 --> 00:04:10,416

So in my opinion, neither of these contract

64

00:04:10,433 --> 00:04:13,483

sentences are appropriate or reasonable.

65

00:04:13,550 --> 00:04:16,600

Anyone that has booked space knows that

66

00:04:16,616 --> 00:04:20,333

there is so much more that goes into choosing

67

00:04:20,333 --> 00:04:22,850

a venue and meeting space.

68

00:04:22,916 --> 00:04:25,366

It's not just about square footage.

69

00:04:25,433 --> 00:04:29,199

What about aesthetics, decor,

70

00:04:29,216 --> 00:04:31,966

proximity to other meeting spaces.

71

00:04:32,033 --> 00:04:35,566

Pillars versus no pillars, natural

72

00:04:35,566 --> 00:04:39,816

lighting, accessibility is a paramount concern.

73

00:04:39,899 --> 00:04:43,133

Whether it's even got carpeting, like the

74

00:04:43,133 --> 00:04:47,800

lists of why you choose a space are unlimited, really.

75

00:04:47,816 --> 00:04:51,416
So basing an equivalent

76
00:04:51,416 --> 00:04:55,316
space on just equal square footage is

77
00:04:55,316 --> 00:05:00,116
incredibly short minded, um, and short changes.

78
00:05:00,166 --> 00:05:03,466
Uh, the group, uh, severely in my opinion.

79
00:05:03,533 --> 00:05:06,883
And then in addition, the idea that the hotel would

80
00:05:06,899 --> 00:05:10,433
charge an additional fee for the group to

81
00:05:10,433 --> 00:05:14,233
be able to be assured of their contracted

82
00:05:14,566 --> 00:05:16,899
meeting space is nuts.

83
00:05:16,966 --> 00:05:20,083
What is the purpose of the contract

84
00:05:20,100 --> 00:05:23,449
if not to confirm meeting spaces?

85
00:05:23,516 --> 00:05:26,566
So in my opinion, the wording should

86
00:05:26,566 --> 00:05:31,066
reflect that if the hotel wants the option of substituting space.

87
00:05:31,133 --> 00:05:34,133
The hotel should be able to compensate the group

88

00:05:34,133 --> 00:05:36,283
with one, two, three, 45.

89

00:05:36,466 --> 00:05:39,466
I don't know how many specific mitigation measures.

90

00:05:39,533 --> 00:05:43,899
It's not about charging the client to substitute space.

91

00:05:43,966 --> 00:05:48,816
All right, wording, warning, number 2 for today.

92

00:05:48,949 --> 00:05:52,000
This is, um,

93

00:05:52,016 --> 00:05:57,166
a concept, a legal concept called without liability.

94

00:05:57,233 --> 00:06:00,583
So, I've used this one because

95

00:06:00,600 --> 00:06:04,066
the venue contract read as follows.

96

00:06:04,133 --> 00:06:07,250
In the event of force

97

00:06:07,250 --> 00:06:11,083
majure, if the group chooses not to

98

00:06:11,100 --> 00:06:15,766
rebook, or is unable to rebook at

99

00:06:15,766 --> 00:06:19,116
the venue within 3 years, the group

100

00:06:19,133 --> 00:06:23,149
agrees to pay the applicable cancellation fees.

101
00:06:23,216 --> 00:06:28,250
As a lay person and not as a lawyer.

102
00:06:28,316 --> 00:06:31,916
My understanding is that the legal premise

103
00:06:31,916 --> 00:06:35,083
of without liability should be

104
00:06:35,100 --> 00:06:39,649
applied to terminations that have been triggered by circumstances

105
00:06:39,649 --> 00:06:43,483
outside of either party's control.

106
00:06:43,550 --> 00:06:48,816
And we learn this lesson so well, um, because of the pandemic.

107
00:06:48,949 --> 00:06:52,250
In the case of force majeure,

108
00:06:52,250 --> 00:06:55,066
performance is legally excused.

109
00:06:55,133 --> 00:06:58,300
So without liability in

110
00:06:58,316 --> 00:07:01,850
my understanding, it means that neither party

111
00:07:01,850 --> 00:07:06,283
is legally responsible for damages,

112
00:07:06,300 --> 00:07:11,449
penalties or financial consequences arising from

113

00:07:11,449 --> 00:07:14,916

the termination of the contract, for reasons that

114

00:07:14,933 --> 00:07:18,833

are beyond or outside of either party's control.

115

00:07:18,899 --> 00:07:22,016

However, when you look at

116

00:07:22,016 --> 00:07:25,616

this particular wording, in this draft

117

00:07:25,616 --> 00:07:29,333

language, The venue is indicating that in

118

00:07:29,333 --> 00:07:32,800

2 specific scenarios, The legal

119

00:07:32,816 --> 00:07:37,016

premise of without liability that is connected

120

00:07:37,016 --> 00:07:40,550

to termination due to force measure would not apply.

121

00:07:40,616 --> 00:07:43,783

First, if the group chooses

122

00:07:43,800 --> 00:07:46,500

not to rebook their event at the venue.

123

00:07:46,616 --> 00:07:49,666

And second, if

124

00:07:49,666 --> 00:07:54,100

the group is unable to rebook at the venue within 3 years.

125

00:07:54,233 --> 00:07:57,283

So I think about that,

126

00:07:57,300 --> 00:08:00,466

and I think, yes, it's optimal if the group can

127

00:08:00,466 --> 00:08:04,183

rebook, and their event can go forward at a future date.

128

00:08:04,250 --> 00:08:09,166

They've given a generous window of time to be able to rebook.

129

00:08:09,233 --> 00:08:12,883

But I am aware of clients of mine that are looking.

130

00:08:13,016 --> 00:08:17,750

Six, 7, 10 years out with their contracts.

131

00:08:17,816 --> 00:08:21,533

What if that group cannot book within a 3 year window?

132

00:08:21,649 --> 00:08:25,000

They have not held their event because

133

00:08:25,016 --> 00:08:27,466

of reasons beyond their control.

134

00:08:28,750 --> 00:08:32,816

And this is saying then that they would be paying cancellation

135

00:08:32,816 --> 00:08:35,149

fees in this circumstance.

136

00:08:35,216 --> 00:08:39,416

And we know, like that's a whole other discussion about, you know, that it's.

137

00:08:39,600 --> 00:08:42,950

Uh, cancellation fees are derived from

138

00:08:42,950 --> 00:08:45,049
revenue and proportions of revenue.

139

00:08:45,116 --> 00:08:48,116
Um, In this case, this is

140

00:08:48,116 --> 00:08:52,016
specific to force mature, which is termination without,

141

00:08:52,016 --> 00:08:56,033
um, outside the control of either party.

142

00:08:56,100 --> 00:08:59,750
So I think this language needs to be thoroughly

143

00:08:59,750 --> 00:09:05,916
negotiated, I mean, it should be negotiated to be clear that it is
without liability.

144

00:09:06,000 --> 00:09:09,299
So that means the return of all deposits.

145

00:09:09,350 --> 00:09:12,483
It may mean, depending on, uh,

146

00:09:13,200 --> 00:09:16,500
when the force measure call is made, there may be

147

00:09:16,500 --> 00:09:19,316
some expenses if food is on site, example.

148

00:09:19,366 --> 00:09:22,366
But for the most part, it's not

149

00:09:22,366 --> 00:09:26,266
that they would then turn around in charge cancellation fees.

150

00:09:26,333 --> 00:09:29,633

So that one was an eye opener.

151

00:09:29,700 --> 00:09:32,700

All right,

152

00:09:32,700 --> 00:09:35,399

my 3rd example.

153

00:09:35,450 --> 00:09:39,166

This one actually made me wits.

154

00:09:39,233 --> 00:09:43,899

And I actually, for real, said, is are you kidding me?

155

00:09:43,966 --> 00:09:45,966

Is this for real?

156

00:09:45,966 --> 00:09:49,183

Um, this one is a venue disclaimer.

157

00:09:49,250 --> 00:09:53,866

Um, that's the subheading that was in the contract.

158

00:09:53,933 --> 00:09:57,166

So the draft venue contract read,

159

00:09:57,166 --> 00:09:59,483

venue disclaimer.

160

00:10:00,000 --> 00:10:03,533

We do not warrant, that the

161

00:10:03,533 --> 00:10:07,850

meeting room or meeting rooms, the services,

162

00:10:07,966 --> 00:10:11,200
The main premises or

163
00:10:11,216 --> 00:10:14,983
the building will meet your requirements.

164
00:10:15,116 --> 00:10:19,733
That they will meet applicable legal standards.

165
00:10:19,850 --> 00:10:22,983
Or that they are safe and

166
00:10:23,333 --> 00:10:26,383
suitable for your intended use.

167
00:10:26,450 --> 00:10:30,166
Who else

168
00:10:30,166 --> 00:10:32,733
is wincing or going, oh my god, is that for real?

169
00:10:32,816 --> 00:10:35,983
So I know that looking at some of the names on here,

170
00:10:36,000 --> 00:10:38,750
I know that you have been around a long time.

171
00:10:38,816 --> 00:10:40,816
That's just crazy.

172
00:10:40,816 --> 00:10:43,483
So the venue is telling the group, in

173
00:10:43,500 --> 00:10:45,649
my opinion, and it's a lay person's opinion.

174
00:10:45,716 --> 00:10:49,366
One, we're not promising that our space is safe.

175

00:10:49,433 --> 00:10:52,899

Number two, we're not

176

00:10:52,916 --> 00:10:55,316

promising that it is up to legal standards.

177

00:10:55,366 --> 00:10:58,533

Number three, we're not

178

00:10:58,750 --> 00:11:02,516

promising that it's suitable for your contracted use.

179

00:11:02,633 --> 00:11:05,933

And quite simply, fourth,

180

00:11:05,933 --> 00:11:10,783

we're telling you the group that if something goes wrong, that's on you, group.

181

00:11:10,916 --> 00:11:14,633

So, this disclaimer

182

00:11:14,633 --> 00:11:19,183

taken verbatim from a venue contract attempts

183

00:11:19,200 --> 00:11:22,666

to shift all responsibility to the group.

184

00:11:22,799 --> 00:11:27,950

To waive the venue's duty, their basic duty of care.

185

00:11:28,016 --> 00:11:31,616

They uh, disclaim

186

00:11:31,616 --> 00:11:35,866

compliance with building codes, with fire codes,

187
00:11:35,866 --> 00:11:38,916
and with a safety, with the safety laws.

188
00:11:39,500 --> 00:11:44,450
And actually undermine the purpose of contracting with a professional venue.

189
00:11:44,566 --> 00:11:47,733
So to me, this

190
00:11:47,750 --> 00:11:51,983
language raises a fundamental question that

191
00:11:52,500 --> 00:11:55,916
I almost think should it could be a deal breaker for

192
00:11:55,916 --> 00:11:58,549
a client that would be looking at this particular venue.

193
00:11:58,616 --> 00:12:01,966
Does the group want

194
00:12:01,966 --> 00:12:05,133
to do business with a venue that

195
00:12:05,149 --> 00:12:12,049
disclaims responsibilities for safety, legalities, and suitabilities.

196
00:12:12,116 --> 00:12:15,233
This to me is a huge red flag.

197
00:12:15,299 --> 00:12:17,750
It's a huge risk signal.

198
00:12:17,816 --> 00:12:21,350
And I would say unless it is completely flipped

199

00:12:21,350 --> 00:12:25,299
on end, and that the venue does warrant

200
00:12:25,316 --> 00:12:29,450
for suitability,

201
00:12:29,450 --> 00:12:33,466
for legal standards, that it would literally,

202
00:12:33,466 --> 00:12:35,616
uh, be a deal breaker.

203
00:12:35,700 --> 00:12:39,116
It, it, it just, I was flabbergasted to see this.

204
00:12:39,166 --> 00:12:41,166
When I've seen it once.

205
00:12:41,166 --> 00:12:43,483
But that's enough to know that it's probably not the only place it
appears.

206
00:12:43,549 --> 00:12:45,766
All right.

207
00:12:45,833 --> 00:12:50,033
Number, I think this is number.

208
00:12:50,149 --> 00:12:52,666
Five, I think.

209
00:12:52,733 --> 00:12:54,733
I don't know what number it is.

210
00:12:54,733 --> 00:12:56,000
Number 4 I think.

211
00:12:56,000 --> 00:12:58,250

All right, the setup of this one,

212

00:12:58,250 --> 00:13:00,399
kind of crazy, and I apologize.

213

00:13:00,466 --> 00:13:03,816
It's not as clear as it could have been, but bear with me.

214

00:13:03,899 --> 00:13:05,899
I want to explain this one to you.

215

00:13:05,899 --> 00:13:08,566
So the, the concern here

216

00:13:08,566 --> 00:13:12,333
is the term expressly waived.

217

00:13:12,416 --> 00:13:17,266
When it is used in a draft event contract.

218

00:13:17,399 --> 00:13:20,633
So when an event

219

00:13:20,633 --> 00:13:25,000
contract uses the term expressly waived.

220

00:13:25,133 --> 00:13:28,600
It means to me

221

00:13:28,616 --> 00:13:33,116
as a layperson, it means that the party is intentionally,

222

00:13:33,116 --> 00:13:37,316
and clearly giving up a legal

223

00:13:37,316 --> 00:13:41,383
right, on purpose, and in writing.

224

00:13:41,450 --> 00:13:44,566

So the party giving up

225

00:13:44,566 --> 00:13:48,233

the legal right cannot later on claim that,

226

00:13:49,500 --> 00:13:53,516

A, we didn't know, or, oh, that wasn't our intent.

227

00:13:53,633 --> 00:13:58,600

Or we assumed our rights were protected somewhere else in the contract.

228

00:13:58,666 --> 00:14:02,383

If the term expressly

229

00:14:02,399 --> 00:14:06,116

waived, and as I put it in this graphic,

230

00:14:06,116 --> 00:14:10,183

in the contract that I reviewed for a client, it actually

231

00:14:10,200 --> 00:14:14,216

was capitalized, expressly waived.

232

00:14:14,266 --> 00:14:17,683

Um, So when an event contract says

233

00:14:17,700 --> 00:14:21,250

the doctrines of A, B, C or X,

234

00:14:21,899 --> 00:14:26,149

Y, Z are expressly waived, this should

235

00:14:26,149 --> 00:14:28,966

cause immediate pause to the group.

236

00:14:29,033 --> 00:14:32,383
So the legal premises,

237
00:14:32,399 --> 00:14:35,933
which is the words that they use is doctrines often

238
00:14:35,933 --> 00:14:40,433
appear in clauses like liabilities and claims.

239
00:14:40,500 --> 00:14:43,799
Like talking about damages, like indirect

240
00:14:43,799 --> 00:14:48,416
damages or consequential damages, um, I've

241
00:14:48,416 --> 00:14:51,166
seen it quite often, waiving the right to a jury trial.

242
00:14:51,233 --> 00:14:54,283
Uh, I've seen them enforce mature

243
00:14:54,299 --> 00:14:58,616
remedies, uh, indemnification limitations.

244
00:14:58,666 --> 00:15:02,566
So you will find the term expressly waived.

245
00:15:02,633 --> 00:15:04,850
And that should cause you pause.

246
00:15:04,916 --> 00:15:09,649
So, the question that you ask is, why

247
00:15:09,649 --> 00:15:13,666
is the supplier putting in writing that the

248
00:15:13,666 --> 00:15:17,866
group is expressly waiving their rights to

249

00:15:17,866 --> 00:15:20,616
ABC or X, Y, Z?

250

00:15:20,750 --> 00:15:23,866
Are these rights ones that

251

00:15:23,866 --> 00:15:26,433
would actually protect the group?

252

00:15:26,516 --> 00:15:29,983
And are these risks,

253

00:15:30,000 --> 00:15:33,950
sorry, these rights, are they something that would otherwise share

254

00:15:33,950 --> 00:15:37,183
the risk between both parties?

255

00:15:37,250 --> 00:15:40,850
So I include this one here.

256

00:15:40,916 --> 00:15:44,516
There's certain words that you always should be circling

257

00:15:44,516 --> 00:15:46,549
when you read a contract through.

258

00:15:46,616 --> 00:15:48,950
I love the word current.

259

00:15:49,016 --> 00:15:52,433
I love the word, you know, may, will, shall.

260

00:15:52,549 --> 00:15:55,600
Um, I love the word, um, at

261

00:15:55,616 --> 00:16:00,049
the time of, um, expressly waived

262
00:16:00,049 --> 00:16:05,200
is one of those that also gets a circle, because it means I've got to go back and really think about it.

263
00:16:05,333 --> 00:16:08,683
So, my urge here is not to

264
00:16:08,700 --> 00:16:11,816
gloss over legal terminology.

265
00:16:11,866 --> 00:16:16,783
We as planners are interpreters of the contracts.

266
00:16:16,850 --> 00:16:19,966
And while we absolutely should

267
00:16:19,966 --> 00:16:23,433
be advocating for legal counsel to

268
00:16:23,450 --> 00:16:27,166
review our contracts, It is on us

269
00:16:27,166 --> 00:16:29,683
to understand the premise of it.

270
00:16:29,750 --> 00:16:32,616
I'm in a lay person's way.

271
00:16:32,700 --> 00:16:38,450
And it's easy enough to understand what expressly waived would mean.

272
00:16:39,250 --> 00:16:43,066
So every word in a supplier's draft event contract.

273
00:16:43,200 --> 00:16:46,733

Has been carefully chosen,

274

00:16:46,733 --> 00:16:50,866

and it's been nuanced by their legal counsel,

275

00:16:50,866 --> 00:16:54,583

the suppliers legal counsel to protect the supplier.

276

00:16:54,649 --> 00:16:57,700

So, terms like expressly

277

00:16:57,716 --> 00:17:00,883

waived should not ever be overlooked.

278

00:17:00,950 --> 00:17:04,416

All right.

279

00:17:04,500 --> 00:17:07,799

So, I've given you a wording warning

280

00:17:07,799 --> 00:17:10,066

that is related to physical venue space.

281

00:17:10,133 --> 00:17:15,400

Uh, we've looked at 3 that are legal language or terminology.

282

00:17:15,466 --> 00:17:18,700

And this 4th example, I want to cover,

283

00:17:18,716 --> 00:17:21,650

um, one that impact,

284

00:17:21,716 --> 00:17:23,716

Oh, sorry, the 5th.

285

00:17:23,716 --> 00:17:28,250

I want to cover one that impacts the financial obligations of the group.

286

00:17:28,750 --> 00:17:32,216

So this is one that I extracted verbatim from a

287

00:17:32,216 --> 00:17:35,233

draft venue contract and it read quote.

288

00:17:36,750 --> 00:17:39,900

Once food and beverage functions,

289

00:17:39,900 --> 00:17:43,733

details, have been established under one

290

00:17:43,733 --> 00:17:47,566

or more BEOs, which are banquet event orders.

291

00:17:47,633 --> 00:17:51,166

The food and beverage commitment will

292

00:17:51,166 --> 00:17:54,633

be deemed increased to the amount

293

00:17:54,650 --> 00:17:58,183

set forth in the applicable BEOs.

294

00:17:58,250 --> 00:18:01,299

Such that liquidated

295

00:18:01,316 --> 00:18:05,566

damages will be calculated using that figure,

296

00:18:05,566 --> 00:18:08,983

rather than the food and beverage minimum.

297

00:18:09,049 --> 00:18:12,166

I got paused

298

00:18:12,166 --> 00:18:15,466
for a 2nd because I know that so many of us read food

299
00:18:15,466 --> 00:18:19,483
and beverage and BEOs and I just want you to take this one in.

300
00:18:19,549 --> 00:18:22,549
It's saying that once you've moved from a

301
00:18:22,549 --> 00:18:26,566
contracted minimum amount in your contract, but you create

302
00:18:26,566 --> 00:18:29,916
your BEOs and it's a higher amount.

303
00:18:31,000 --> 00:18:34,016
Then your responsibility becomes

304
00:18:34,016 --> 00:18:37,316
the higher amount, and that if you don't

305
00:18:37,316 --> 00:18:40,783
meet that higher amount at the time of the event, liquidated

306
00:18:40,799 --> 00:18:45,299
damages would be calculated from that higher amount.

307
00:18:45,349 --> 00:18:48,766
So in other words, if a group contractually

308
00:18:48,766 --> 00:18:53,016
agrees to a food and beverage minimum of, let's say, \$100,000.

309
00:18:53,400 --> 00:18:56,516
And when the BEOs are created, the food and

310
00:18:56,516 --> 00:18:59,083
beverage revenue is 130,000.

311

00:18:59,400 --> 00:19:02,516

This language is indicating that

312

00:19:02,516 --> 00:19:06,166

the group's food and beverage minimum is now increased

313

00:19:06,166 --> 00:19:09,400

to the \$130,000 value.

314

00:19:09,466 --> 00:19:13,299

That extra \$30,000

315

00:19:13,316 --> 00:19:18,583

was never negotiated as a minimum, but it just became one.

316

00:19:18,650 --> 00:19:21,766

And to me as a

317

00:19:21,766 --> 00:19:25,366

seasoned planner, BEOs are intended to, one,

318

00:19:25,366 --> 00:19:27,400

confirm logistics.

319

00:19:27,466 --> 00:19:31,833

2 to reflect an evolving program's needs.

320

00:19:31,916 --> 00:19:34,916

And three, we all know that

321

00:19:34,916 --> 00:19:37,250

BEOs change over time.

322

00:19:37,316 --> 00:19:41,633

Some of them get started 6 weeks in advance, 4 weeks in advance.

323

00:19:41,700 --> 00:19:43,733
Some of them are done right before the event.

324
00:19:43,799 --> 00:19:46,966
To me as a seasoned planner.

325
00:19:47,033 --> 00:19:50,799
BE0s are not intended to,

326
00:19:50,816 --> 00:19:54,283
one, redefine liquidated damages.

327
00:19:54,349 --> 00:19:59,799
They're not intended to retroactively amend the contract.

328
00:19:59,866 --> 00:20:02,866
And three, BE0s are

329
00:20:02,866 --> 00:20:08,133
not meant to increase the financial guarantees without the group's
consent.

330
00:20:08,216 --> 00:20:11,383
So for this one, when the

331
00:20:11,400 --> 00:20:16,016
BE0s increase the financial minimum, Estimates become

332
00:20:16,016 --> 00:20:19,916
guarantees and guarantees become damages.

333
00:20:19,966 --> 00:20:23,083
So at what point should

334
00:20:23,099 --> 00:20:26,700
planning details turn into financial penalties?

335
00:20:26,750 --> 00:20:28,750

Well, they shouldn't.

336

00:20:28,750 --> 00:20:31,433

Unless you intentionally agree to them.

337

00:20:31,500 --> 00:20:33,950

So, love this one.

338

00:20:34,016 --> 00:20:36,016

This one got my dander out.

339

00:20:36,016 --> 00:20:38,916

And I've got one

340

00:20:38,933 --> 00:20:41,450

last final one for our time together here today.

341

00:20:41,516 --> 00:20:44,633

And this one I just posted

342

00:20:44,633 --> 00:20:46,666

about last week on my LinkedIn feed.

343

00:20:46,799 --> 00:20:48,799

Um,

344

00:20:48,799 --> 00:20:52,299

We uh, this one is a hot topic in our industry right now.

345

00:20:52,366 --> 00:20:56,016

And it's it's addressing the group's

346

00:20:56,033 --> 00:21:02,200

right to choose their own preferred 3rd party audiovisual supplier.

347

00:21:02,266 --> 00:21:05,316

Other than the venue's

348

00:21:05,333 --> 00:21:08,033
preferred 3rd party AV supplier.

349

00:21:08,099 --> 00:21:11,216
And it's the 2nd sentence that prompted my

350

00:21:11,216 --> 00:21:14,983
warning, but I wanted to give contact, so I included both.

351

00:21:15,049 --> 00:21:17,049
So the draft event contract read.

352

00:21:17,400 --> 00:21:19,400
Quote.

353

00:21:19,500 --> 00:21:22,616
If the group proposes to use an audio

354

00:21:22,616 --> 00:21:27,650
visual provider other than the preferred AV provider.

355

00:21:27,716 --> 00:21:30,716
The group will allow the preferred

356

00:21:30,716 --> 00:21:34,616
AV provider to submit a competitive bid for the business.

357

00:21:34,666 --> 00:21:38,016
Okay, that seems reasonable.

358

00:21:38,099 --> 00:21:41,150
However, it went on to say,

359

00:21:41,150 --> 00:21:45,483
if another AV provider is selected, The

360

00:21:46,500 --> 00:21:49,966

group shall provide a copy of

361

00:21:49,966 --> 00:21:53,733

the contract with the other provider to help

362

00:21:53,750 --> 00:21:56,316

in the planning process of the function.

363

00:21:56,400 --> 00:21:59,516

So as I said, on my graphic,

364

00:21:59,516 --> 00:22:03,483

it's the 2nd sentence that is Dreadful.

365

00:22:05,750 --> 00:22:08,816

It isn't collaboration to me, in

366

00:22:08,816 --> 00:22:12,716

my humble opinion, it crosses an ethical line.

367

00:22:12,766 --> 00:22:15,983

By using the term shell,

368

00:22:16,316 --> 00:22:20,633

in the 2nd sentence, the language compels, you

369

00:22:20,633 --> 00:22:24,533

can think of it as requires, it mandates,

370

00:22:24,533 --> 00:22:28,666

that the group has to provide a copy of

371

00:22:28,666 --> 00:22:32,566

their contract with a different 3rd party AV

372

00:22:32,566 --> 00:22:36,166

provider who is not the venue's preferred

373

00:22:36,166 --> 00:22:39,583
AV provider to the venue.

374

00:22:39,650 --> 00:22:42,650
The request indicates that this is being

375

00:22:42,650 --> 00:22:47,200
requested to facilitate the planning process.

376

00:22:47,266 --> 00:22:51,033
Well, based again on my 30 years.

377

00:22:51,116 --> 00:22:54,283
I'm going to call bullshit on this one and I think it's unethical.

378

00:22:54,349 --> 00:22:57,400
Sharing an AV

379

00:22:57,416 --> 00:23:02,866
provider's contract in this case, could be sharing confidential pricing.

380

00:23:02,933 --> 00:23:06,283
It could be sharing equipment specifications.

381

00:23:06,349 --> 00:23:10,299
It could be sharing equipment packages that they've created for the event.

382

00:23:10,366 --> 00:23:13,116
It could be sharing confidential business terms.

383

00:23:13,200 --> 00:23:16,500
No supplier should gain access

384

00:23:16,500 --> 00:23:20,816
to another supplier's proprietary agreement.

385

00:23:20,866 --> 00:23:23,916
The representative of the group

386

00:23:23,933 --> 00:23:29,083
is the intermediary between the AB supplier and the venue.

387

00:23:29,099 --> 00:23:32,250
The representative of the group is

388

00:23:33,166 --> 00:23:36,516
the conduit for specifications and details.

389

00:23:36,599 --> 00:23:40,366
Here, the planning purposes

390

00:23:40,366 --> 00:23:46,183
is quite vague and to me does not justify sharing sensitive commercial information.

391

00:23:46,250 --> 00:23:49,366
To me, ethical procurement,

392

00:23:49,366 --> 00:23:51,983
respects, business, confidentiality.

393

00:23:53,400 --> 00:23:56,400
All right.

394

00:23:56,450 --> 00:24:00,166
I trust

395

00:24:00,166 --> 00:24:04,299
that these 6 wording warnings have given you some pause.

396

00:24:04,366 --> 00:24:08,316
None of these clauses are dramatic on their own.

397

00:24:08,400 --> 00:24:11,700
And that's kind of the point, uh,

398
00:24:11,700 --> 00:24:14,933
other than the one, the venue disclaimer, to me, that would be just a deal breaker, but

399
00:24:15,500 --> 00:24:20,033
risk in event contracts don't usually shout, they whisper.

400
00:24:20,099 --> 00:24:23,516
They're buried in nuanced wording.

401
00:24:23,566 --> 00:24:27,333
Negotiating these wording warnings isn't about being difficult.

402
00:24:27,416 --> 00:24:30,950
It's about being deliberate, because

403
00:24:30,950 --> 00:24:33,516
once you sign the language.

404
00:24:33,650 --> 00:24:37,233
The contract language, not the

405
00:24:37,616 --> 00:24:40,366
relationship controls the outcome.

406
00:24:41,500 --> 00:24:45,166
So if you're interested in learning how to spot your

407
00:24:45,166 --> 00:24:50,083
own wording warnings in event contracts that you review, I'd

408
00:24:50,099 --> 00:24:54,049
encourage you to really carefully look at the certified event contract professional

409

00:24:54,049 --> 00:24:57,650
credential program, and you can find all of the

410
00:24:57,650 --> 00:25:01,666
details you need there at CECP.plannerprotect.ca.

411
00:25:01,733 --> 00:25:04,666
And before you leave 3 things.

412
00:25:04,733 --> 00:25:07,849
I hope you will take a moment to register

413
00:25:07,849 --> 00:25:11,566
for next month's episode that I've called contract terms

414
00:25:11,566 --> 00:25:14,799
for food and beverage events, need and overhaul.

415
00:25:14,866 --> 00:25:17,799
And that's on Wednesday, February 18th.

416
00:25:17,866 --> 00:25:19,866
And that, um, event.

417
00:25:19,866 --> 00:25:24,283
We'll go up on my LinkedIn on my planner, protect LinkedIn tomorrow.

418
00:25:24,466 --> 00:25:27,766
And remember that all event contracts

419
00:25:27,766 --> 00:25:31,116
exposed episodes are featured on Planet Protects YouTube channel.

420
00:25:31,200 --> 00:25:34,250
And absolutely remember that

421
00:25:35,033 --> 00:25:40,133
a well-negotiated event contract isn't just a document.

422

00:25:40,200 --> 00:25:42,200

It's your power.

423

00:25:42,200 --> 00:25:45,166

It's your protection, and

424

00:25:45,166 --> 00:25:47,566

it's your peace of mind.

425

00:25:47,633 --> 00:25:51,833

So before we log off, Zach, I'm just going to go over here.

426

00:25:51,900 --> 00:25:55,016

Um, Okay, I

427

00:25:55,016 --> 00:25:57,583

know that there's been some comments and a gosh, I love that.

428

00:25:57,650 --> 00:25:59,650

I'm.

429

00:25:59,650 --> 00:26:02,333

All right, Carol, what a crazy clause.

430

00:26:02,400 --> 00:26:04,400

Absolutely.

431

00:26:04,400 --> 00:26:05,200

I'm Carol.

432

00:26:05,266 --> 00:26:07,783

Is it an American venue contractor Canadian?

433

00:26:07,849 --> 00:26:10,900

You know, I should start making that distinction.

434

00:26:10,966 --> 00:26:14,083
I do a lot of American, but I also, I'm

435
00:26:14,099 --> 00:26:18,650
going to say probably half and half, so I really, um, I don't know.

436
00:26:18,716 --> 00:26:20,716
I would have to go back to my notes.

437
00:26:20,716 --> 00:26:24,233
Um, Uh, Carol, she usually uses Canadian.

438
00:26:25,133 --> 00:26:27,133
I've seen them in US.

439
00:26:27,133 --> 00:26:28,216
okay?

440
00:26:28,216 --> 00:26:28,566
That's good to know, Joan.

441
00:26:28,566 --> 00:26:29,650
Um,

442
00:26:29,650 --> 00:26:31,200
Ah.

443
00:26:32,250 --> 00:26:36,233
Thank you for the I would be a deal breaker for me, but interesting to see these types of closets pop up.

444
00:26:36,299 --> 00:26:38,299
absolutely.

445
00:26:38,299 --> 00:26:39,816
Uh, Joan, I love it when or is

446
00:26:39,833 --> 00:26:43,250

used when they mean and absolutely, you

447

00:26:43,250 --> 00:26:46,849

have to almost just read out loud all the time, doesn't really make sense.

448

00:26:46,916 --> 00:26:49,966

Um, Jones says, I have

449

00:26:49,966 --> 00:26:54,216

so many fun red line drafts from venues and vendors that you should write a book.

450

00:26:54,299 --> 00:26:57,466

I agree, that would be, we'd all learn from

451

00:26:57,466 --> 00:26:59,983

the guru, Joan Eisenstadt.

452

00:27:00,500 --> 00:27:02,866

Um, all right, yikes, yikes.

453

00:27:02,933 --> 00:27:06,233

Um, Oh my goodness.

454

00:27:06,299 --> 00:27:08,750

Anyways, I will enjoy these comments.

455

00:27:08,816 --> 00:27:12,583

Uh, but please uh, give me your feedback.

456

00:27:12,650 --> 00:27:15,883

Tell me that you loved these or didn't like them.

457

00:27:15,950 --> 00:27:19,066

I have about 30 of them that I've done over the last probably

458

00:27:19,066 --> 00:27:22,716

5 or 6 years, um, and we'll continue to do them, um,

459

00:27:22,733 --> 00:27:24,950

the pop-up on my, uh, LinkedIn fee.

460

00:27:25,016 --> 00:27:27,016

Thanks, everyone.

461

00:27:27,016 --> 00:27:28,400

I'm going to say goodbye for now.

462

00:27:28,400 --> 00:27:31,849

I've given you 2.5 minutes back in your half hour.

463

00:27:31,916 --> 00:27:33,916

Take care, folks.