



GUIDE TO HOTEL CONTRACTING

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GUIDE TO HOTEL CONTRACTING

1. INTRODUCTION

This guide is a basic overview of what to look for in a hotel contract. It is meant for those who have minimal experience in negotiating contracts and is a general look at the basics without delving into every single detail. It is not meant to be a legal guide, but rather a starting point.

It is important to remember that the hotel wrote the initial contract and, by definition, it is one-sided in their favor. It is up to you to add clauses that will protect your group.

2. SITE SELECTION

A. CHOICE OF CITY

When determining the site of the event, the key to getting a good rate is flexibility. You may need to be flexible not only with date, but also with location. When considering options, find out what else is going on in the city you are considering on your preferred dates. Do you have your heart set on Savannah in March? You will pay a premium because the azaleas are in bloom. Do you want to go to Columbus in the fall? You'd better check the Ohio State home football schedule. Do you want to go to Las Vegas when the Formula One race is in town? The streets will be blocked off and the restaurants will be packed.

How easy is it to get to the cities you are considering? Do they have major airports with plenty of flights, or do they have smaller airports where the majority of attendees will have to take connecting flights? Are they off the beaten path and a car rental is required for those who don't live within driving distance? Is there an airport shuttle? Perhaps most importantly, keep more than one city in mind, as it will improve your bargaining power.

B. IMMEDIATE AREA

Once you have identified your preferred cities, you must decide what part of the city is the most important to your group. Do they prefer to pay more and be downtown with access to entertainment? Or do they prefer to be in an area that may be less expensive but still has access to bars and restaurants?

Consider the immediate area. Are the streets well lit? Or are there dark alleys and vagrants? A sense of security is vital to your attendees.

Are there budget hotels within walking distance? As much as you want your attendees to stay in the conference hotel, how easy is it for them to find a lower priced option within walking distance?

C. HOTEL BRAND

Consider your audience. If your attendees are people who don't travel much, they might not care what flag your hotel flies. However, if they are frequent travelers, they will have a preference. While there are countless hotel brands, most frequent travelers are loyal to a specific brand, the most popular being Hilton and Marriott. If your hotel is a Hyatt or an InterContinental, for example, many attendees will go to their preferred chain just to get their points, even if it's inconvenient. And even if you do choose a Hilton or Marriott, beware of the Hampton Inn or Fairfield Inn down the block where your attendees can still get their points and save money at the same time.

D. COLLABORATORS

No matter what city you are considering, there are two sources of excellent information that should be on your team.

The first is the local Convention and Visitors Bureau (CVB). While they go by different names, a Google search will find what you're looking for. Larger cities might have one office dedicated to organizations wishing to bring large group events such as conferences and conventions to their city and another office geared towards tourists and visitors. The CVB is an excellent resource for partners in planning such as local vendors. But in the hotel negotiation process, they can be an advocate for your group and sometimes offer incentives for your group to choose their city. When you are selecting the city, be sure to ask your CVB representative if they know of any current or future construction that may affect the success of your event. The last thing you want to find out is that the streets in front of your hotel have been ripped up just prior to your arrival. Likewise, they can tell you about city-wide events that, while they may not affect your hotel directly, may affect traffic, restaurant availability, and more.

The second is your national hotel chain sales representative. It is important to involve these reps before signing a contract. The fact is, they get credit for a sale if you involve them first, which makes them want to assist in any way possible. Additionally, if you have issues once you sign a contract, they will be your strongest ally in resolving problems.

3. DATE AND PATTERN

A. DATE

When determining the dates of your event, once again, the key to getting a good rate is flexibility. While you may prefer specific dates, the hotel, or even the city, may be busy at that time. If you are married to your dates, you will pay a premium. Instead, ask the hotels you are considering what dates they have available. You may be surprised at the rates you can get. They are looking to fill their calendar, and your group may be the perfect fit.

B. PATTERN

In determining the days for your event, it is important to consider the hotel's point of view. This is where pattern comes into play. While an ideal scenario might be check-in Tuesday and check-out Friday, for example, that is rarely an ideal situation for the hotel. If the hotel can sell one group Sunday to Wednesday and another Wednesday to Saturday, they will have doubled their money.

Additionally, each hotel has a preset ratio of how many sleeping rooms must be contracted to assign a set amount of complimentary meeting space. They make the best revenue with large groups that put lots of heads in beds. AWS groups are typically small, and the way to get the best deal is to allow the hotel to find a date and pattern where they can squeeze you in with a larger group so they can maximize their meeting space usage and guest rooms sold.

4. ROOM BLOCK

A. SIZE OF BLOCK

The hardest thing to do in hotel contracting is to determine the size of the block. You need enough rooms to get the amount of meeting space you need and enough to handle the number of attendees

that you anticipate will want to stay there, but not so many rooms that you end up paying attrition (see Attrition, Section 9A).

What time of day does your event begin? If your first session starts at 8:00am, most attendees will arrive the night prior. However, if you don't start until 10:00am, anyone within driving distance may try to arrive that morning to save the cost of a hotel night. What time does your event end? If the event ends at noon, everyone will leave as soon as possible. Does your event end at 5:00pm? Those who can drive or fly home will, but there will certainly be some who can't get a flight out until the following morning.

B. TYPE OF ROOMS

When developing the size of the room block, it is important to clearly define not only the guaranteed number of rooms, but the specific room types as well. Will most of your attendees come solo? Then contracting Run of House rooms may get you a better rate. That means that when their reservation is made, they can request a certain type of room, but it will not be guaranteed. If you envision a high number of couples coming, you'll want to be sure to note a specific number of king rooms. Are families coming? Then make sure double/double or queen/queen rooms are contracted.

Do you VIPs expect upgrades to suites or concierge level rooms? If so, the number needs to be specified in the room block.

Additionally, if the hotel has undergone or will be undergoing renovation prior to your arrival and renovations have been completed on some floors but not others, be sure your contract states that your group will be assigned to renovated rooms.

C. SHOULDER NIGHTS

There may very well be attendees who wish to extend their stay by arriving early or staying after the event is over. If extra rooms nights before and after the event are added to the contract, you will be liable for them if they are not taken. Instead, put a clause in the contract that states "group rate will be available 3 days pre- and post-event based on availability." Attendees who make the request with plenty of advance notice will likely get the group rate, but that rate may disappear as the conference approaches.

D. IS A ROOM BLOCK EVEN NECESSARY?

If you know how many people are coming, such as Instructors Institute or Leadership symposium with a defined number of invitees, calculating a room block is easy. But what about when you have no clue? Whether a small or large event, there is another option, specifically if your event venue is not a hotel.

Take ASME workshops, for example. In each case, the workshop is held at a facility. Since hotel space is not being used, there is no requirement to a specific hotel to put heads in beds. Instead of contracting with a hotel, we simply provide information on our website with a list of local hotels and links. Attendees can choose the brand of their choice.

Likewise, this same concept can be used for a larger event. Our first test will be holding a conference at AWS headquarters in April of 2026 that employs this same strategy.

While not signing a hotel contract removes all chances of facing attrition, this strategy is not risk-free. What if, for example, you sign a contract to host the event at a facility only to have all local hotels sold out over the dates of your event? Doing your homework is the key to success. Before signing the facility contract, call the local hotels to see what their average occupancy is over the dates you are considering. Call the local CVB to see if there are any large or city-wide events planned

at that time. The risk is a balancing act. Do you want to risk attrition? Or do you want to risk not having hotels rooms when they are needed? Once you have done your homework, you will be armed with the information you need to decide whether or not to contract a block of rooms.

5. RATE DETAILS

A. ROOM RATE

The first thing your attendees will look at when considering staying at the conference hotel is the rate. It is therefore critical to negotiate the most advantageous rate possible. The rate alone, however, does not tell the whole story. It is important to know exactly what is included in the rate. Most travelers understand that the rate does not include tax, but other factors are important.

B. RESORT FEE

Hotels in vacation destinations or that offer extensive recreational options often tack on a resort fee to the negotiated rate. Typical resort fees are up to \$35 per day. If you are hosting a conference, your attendees will not typically have time to take advantage of these amenities. It is therefore important to eliminate or vastly reduce the cost of the resort fee. Another option is to make the resort fee optional for those attendees who might want to take advantage of the amenities.

C. CHANGE OF RATE

Beware of clauses that say the rate may increase. These are not uncommon in contracts that are negotiated years in advance. A hotel might add a clause that says the negotiated rate can increase 5% per year from contract signature. That could be a significant increase by the time the event rolls around.

D. COMMISSION

A commissionable rate is one in which the group gets a percentage of the room rate paid back to them. It can be an excellent source of revenue. Commissionable rates are typical when large conventions have so many room nights that they take up most of the major hotels in the area. The industry standard is 10%, although it is sometimes possible to get 15%.

Because AWS events are small, hotels will typically send draft contracts that specify that rates are non-commissionable. If for some reason you are offered a commissionable rate, AWS has an IATA number (International Air Transport Association), which is the number used by travel agents and others to be able to receive commission paid by the hotel. All contracts with commission must include **IATA 10-6-58185**. Please contact Margaret Jamborsky if you need assistance with a commissionable rate.

E. LOWEST AVAILABLE RATE

It is important to have a clause in the contract regarding lowest rate because there is no reason for people to book the AWS block if they can get the same room cheaper on another site. If an attendee gets a lower rate on booking.com, for example, AWS does not get credit for that room being sold in the block, and we risk not selling out our block. The hotel should agree that transient and internet rates cannot be lower than the group rate. However, there will be an exclusion for pre-negotiated blocks such as airlines or other companies that have a special negotiated rate. They will typically

agree to not offer a better rate to other groups of similar size and dates. However, if there is a larger group in-house, that group will likely have a better rate.

F. RESERVATION METHOD

Be sure to specify how attendees will make their reservations. Is everyone on their own to make their reservations and pay for their own room? If so, be sure that the hotel provides a reservation link. The group will only be liable if the guaranteed minimum isn't met (see Attrition, section 8A).

Is the group paying for all rooms? If so, the group providing a rooming list is probably the better way to go.

Is it a combination of both methods? You can specify that attendees will make their reservations via a link, but staff and VIPs will be provided via a rooming list.

In some cases, hotels may not be able to hold a room block if reservations did not occur (for example, when contracting multiple years). In such instances, the hotel will instead provide a booking link honoring the originally agreed-upon rate.

G. ROOM CANCELLATION POLICY

Hotel cancellation policies offer hotel guests the opportunity to cancel their booking up until a certain number of days before check-in. Once this date has passed, the hotel will charge the guest a cancellation fee. A cancellation fee holds the guest accountable and ensures that they only book a hotel room when they actually intend to stay and helps to reduce the number of no-shows.

Group hotel contracts typically require 24 hours advance notice, but in larger cities and particularly in resort destinations, the advance notice required may be 2 days, 3 days, or even more. The standard no-show fee is one night's room and tax, but it could be higher, particularly in peak season of resort destinations. No-show fees are charged to the credit card provided when the reservation is made.

Your contract should include not only the room cancellation policy, but a clause stating that anyone making a reservation will receive detailed room cancellation policy information in their reservation confirmation email.

6. CONCESSIONS

A. STANDARD CONCESSIONS

Even if certain perks are already included in the rate, they should be listed in the contract. These might include:

- Self-parking
- Guest rooms internet
- Daily bottled water in guest rooms
- Access to fitness center and activities
- Access to hotel shuttle to airport or other destinations
- Local and 800 # calls from guest room

B. RESORT FEE CONCESSIONS

If the hotel has a resort fee, include the benefits that are included in that fee. These might include:

- Access to golf practice facilities and bag storage

- Preferential tee times
- 10% discount on apparel in the golf shop
- Access to game room, water park, or other activities

C. NEGOTIATED CONCESSIONS

Concessions negotiated over and above what is included in the hotel rate and/or resort fee can make a remarkable difference in the final spend at the hotel. Don't be afraid to ask for what you need; the worst the hotel can say is no. The contract is your opportunity to add details that enhance your event. Concessions might include:

Room and lodging:

- **Complimentary rooms:** Request a complimentary room for a certain number of paid rooms booked (e.g., 1 per 40-50 rooms), and that earned comps can be allotted in the form of a credit to the master account.
- **Room upgrades:** Ask for upgrades to suites for VIPs or group organizers, and concierge level rooms with access to the loyalty lounge for additional VIPs, board members, or staff
- **Staff rates:** Negotiate a reduced rate for staff and vendors staying at the hotel.
- **Shoulder rates:** Request the group rate for a few days before and after the event to accommodate early arrivals or late departures.
- **Attrition:** Request 80% attrition (20% allowable)
- **Cut-off date:** Hotels typically assign the reservation cut-off date as 4 weeks prior to the first day of the event; ask for 21 days. This could make all the difference with filling your block.
- **Site visit rooms:** Ask for complimentary room nights for a pre-event site visit based on mutually agreeable dates and availability. Even if you only need one room for one night, it doesn't hurt to ask for two rooms for two guests for two nights just in case.

Fees and charges:

- **Waived or reduced resort fees:** These fees can often be waived or discounted, especially for business-focused groups.
- **Parking:** Negotiate complimentary or discounted parking for staff and attendees.
- **Meeting space rental:** Request that the meeting room rental fee be waived if you meet a certain food and beverage spending threshold.

Food and beverage (F&B):

- **Discounts:** Ask for a discount on published food and beverage menu prices (aim for 10-20%).
- **Service charge reduction:** Negotiate a reduction in the automatic service charge on F&B costs.
- **Complimentary items:** Request complimentary items like a hosted reception, coffee breaks, or a certain number of drinks.
- **Welcome amenities:** Ask that special amenities be delivered to VIP rooms. The hotel typically lists these as "chef's choice," but if you have special requests, you can make those closer to the event date.
- **Water stations:** Request complimentary water stations in each meeting room and in public spaces.

Technology and services:

- **Internet:** Secure complimentary in-room Wi-Fi for all attendees and negotiate a lower rate for Wi-Fi in meeting spaces. Better yet, negotiate complimentary Wi-Fi in all meeting and public spaces.
- **Audio-visual (AV):** Get discounts on AV services or request complimentary items such as microphones, slide advancers, flip charts, or power strips.
- **Business services:** Ask for free or low-cost services like printing.

- **Shipping and handling:** Ask for any package handling or receiving fees to be waived.
- **Equipment:** Request complimentary stages, lecterns, risers, tables, chairs for all meeting rooms and complimentary use of easels not to exceed hotel inventory.
- **Amenities:** Request notecards, pens, and mints available at the back of each meeting room.

D. ADJUSTMENTS TO CONCESSIONS

If you do not meet the room night commitment, it is only fair that the Hotel may adjust any concessions contracted including any noted whether standard, resort fee, or negotiated concessions.

7. MEETING SPACE

A. AGENDA

It is critical to know exactly how much space you need before entering into a contract. The best way to do this is to prepare a complete agenda. Sketch out how many rooms you will need and how they will be set up (theater, classroom, rounds). Include food and beverage functions, receptions, and exhibits, if applicable. Be sure to include set-up and tear-down times. If there is a room that you plan to use for both sessions and meals, be sure to include the time necessary for banquets to set up the room and clean it afterwards. Be sure to include an office and storage space, a registration area, and space for any ad hoc meetings and possibly a speaker ready room. Perhaps most importantly, be sure to require that all of your meeting space is listed as a 24-hour hold. The last thing you want is to end a session at 5:00 and have the hotel frantically setting up a banquet in your meeting room, only to have to set it back for you by the next morning.

B. COST OF SPACE

In a standard hotel setting, there should be no reason to pay for space. A standard contract negotiation includes complimentary meeting space based on a specified F&B minimum being met as well as the room block being met, at least to the point of no attrition. Say, for example, you have an F&B minimum of \$30,000 and they want \$2,000 to rent the ballroom. For starters, that \$2,000 is subject to the F&B service charge of approximately 25% as well as tax. If they won't waive the rental fee, you can negotiate a higher F&B minimum. If you increase your F&B to \$32,000, for example, at least you have something to show for that extra expense and can upgrade your F&B.

C. ROOM ASSIGNMENTS

Review the hotel floor plans thoroughly and be sure that the rooms they are proposing will suit your needs. Is it easy to get from Point A to Point B, or are the rooms they offered you on different floors and spread throughout the hotel?

Be sure to look not only at the floor plans, but also at the capacity chart. These are notoriously inaccurate. Before agreeing to space, you need accurate information. Does the capacity chart say that a particular room seats 100 theater style and 60 classroom style? The classroom style is likely based on 3 people per 6' table, and you want 2 people per table. Do the seating capacities stated include space for audio visual equipment? A podium? A stage or risers? Are there pillars in the room? What is the ceiling height in each room? While an 8' ceiling might be acceptable in your kitchen, it is extremely claustrophobic in a meeting room.

The hotel will likely list your agenda and how many attendees the room needs to accommodate but will not identify room names. This is unacceptable and means they might squeeze you into

whatever space they have left after possibly giving your preferred space to another group. They may be so bold as to say that definite room assignments cannot be confirmed until ten days prior to the event or that they reserve the right to make changes in room assignments, size and/or number of breakout rooms assigned. Do not, under any circumstances, agree to these terms. Instead, specify exactly the rooms that you need and be sure to have them identified in the contract. More importantly, be sure to have a phrase in the contract that states that while the Hotel reserves the right to adjust function space in direct proportion to any changes in the number of attendees, any changes must be mutually agreed upon by both parties. Group will not unreasonably withhold consent, and because printed materials are generated a month in advance, any such requests must be made at least one month prior to event.

8. FOOD AND BEVERAGE

A. F&B MINIMUM

If you list any food and beverage (F&B) events in your agenda, there will be an F&B minimum in the contract. This minimum refers to the required spend and does not include service charge or tax. Some hotels do not include alcohol, but you can typically negotiate that as part of the minimum F&B spend.

The hotel will take your estimated number of attendees, the F&B events you have listed, and calculate a minimum spend in their favor. This is not a number you want to agree to, and this is where homework comes in. Just as you sketched out a complete agenda, it is important to estimate your F&B spend as accurately as possible. This means not only taking a detailed look at menus but also calculating how many attendees will be present at each F&B event. Draft what you think is a realistic spend and present this to negotiate a more reasonable F&B minimum. When considering your estimate, ask yourself a number of questions. Will all of your attendees be staying at the hotel? Virtually never, unless you are paying for their rooms. Is half a more reasonable estimate? How many of the people staying elsewhere will arrive in time for breakfast? What percentage of people generally don't eat breakfast? Your breakfast number will never be 100%. You can typically expect the full number for breaks and lunch, but keep in mind that if you have a number of speakers, many will arrive in time to present their session and leave immediately thereafter and need not be counted in the F&B number. Evening receptions are also never 100%, many of those who live locally will want to race out to beat traffic.

B. MENU PRICING

If you have never planned an event at a hotel before, banquet menus will put you in a state of sticker shock. The first thing you can do about that is negotiate a percentage off published menu prices. If you are contracting the hotel one or more years prior to your event, you will want to add a clause that says menu pricing will not increase by more than X% per year, or more precisely, that you will not have to pay more than an X% increase per year on menu items. Menu prices typically increase by about 5% per year, but you don't want to be faced with a scenario in which the hotel increases prices by 25% because they have a major adjustment in their menu pricing. If your event is the calendar year following signature of contract, you may be able to negotiate that you will pay menu prices at time of contract signature. Additionally, you might wish to include a clause that says that all menu items on the current published menu will be available at the time of the event in case they totally revamp the menu.

C. REDUCING EXPENSES

In addition to requesting a discount, there are additional ways to save money. Oftentimes chefs will work with you to create a special menu, although a negotiated discount may not be applicable to custom menus. Are you having an afternoon refreshment break? Ask them to hold the lunch dessert and serve it at break instead. Since sodas are notoriously expensive, consider serving iced tea or lemonade priced per gallon. Consider all options before committing to your F&B minimum.

D. OUTSIDE FOOD AND BEVERAGE

All major hotels with in-house catering will include a clause where you cannot bring in outside food and beverage. Some smaller hotels, however, do not offer in-house catering but permit outside food service. A handling fee may apply for the hotel's assistance in receiving and distributing food orders for the event.

E. SPECIAL REQUIREMENTS

Be sure to request that reasonable accommodation be made for guests with dietary restrictions. Additionally, be sure to note that all buffet items must be labeled and include a listing of ingredients known to cause allergies in some people.

9. FINANCIAL OBLIGATIONS

A. ATTRITION

Attrition can be a scary word in hotel contracting. Attrition outlines what you will have to pay if you do not fill your contracted room block. If you rate an 80% attrition rate, that means you must fill 80% of your contracted block or pay liquidated damages called attrition. Say, for example, there are 100 room nights in your block. If your attrition rate is 80% and you sell 80 or more rooms, you are fine. However, if you sell only 70 rooms, you are liable for the ten rooms that didn't sell.

Be sure to state that attrition is calculated on a cumulative basis. That means that they will give you credit for the grand total of rooms sold including early arrivals and late departures.

The best-case scenario, of course, is to negotiate no attrition at all. While this typically doesn't happen with large events, it may be possible to do so with small events, particularly if you have an established relationship with a particular hotel due to holding repeated events there.

Additionally, be sure there is an audit clause in your contract. This means that if you are facing attrition, the hotel will take your registration list and look to see if anyone booked outside the block but is staying in the hotel. You will get credit for their stay.

B. DEPOSIT AND PAYMENT SCHEDULE

Hotel contracts will lay out a detailed payment schedule, typically including a series of set deposits and a final estimated payment due prior to the event, with a final payment or credit calculated after the event. This should include a table specifying dates and amounts due. If you choose a venue with whom you have no history, it is understandable that they would want advance payment. However, a far better situation would be to establish direct billing and be invoiced after the event. If you have done business with this property or this chain and bills were paid in a timely manner, it should not be difficult to establish credit. When negotiating the contract, be sure to find out if they

have a credit application available and how long it typically takes to establish credit. Note that internally at AWS, your department might have their own credit application history.

The method of payment will also be addressed. All hotels want a credit card on file, but you can give instructions that this not be used without prior approval, and that all payments will be made by ACH, for example.

C. CANCELLATION POLICY

Things happen, so it is important to have a clearly defined cancellation policy in case the event must be cancelled for any reason. Typically, this clause will outline liquidated damages on a sliding scale and specify what would be owed if cancelled at specified times prior to your event.

Say you sign a contract on December 1, 2025, for an event beginning on May 1, 2027. Your contract value is \$100,000 in guest rooms with a \$40,000 F&B minimum. For simplicity and demonstration purposes, room tax is not included.

A **basic** cancellation policy would include a table such as:

Date of Cancellation	Total due
From signature to one year before scheduled arrival	25% of lost revenue
181 days to 364 days before scheduled arrival	50% of lost revenue
91 days to 180 days before scheduled arrival	75% of lost revenue
46 days to 90 days before scheduled arrival	90% of lost revenue
0 days to 45 days before scheduled arrival	100% of lost revenue

A **better** cancellation policy would include a table such as:

Date of Cancellation	Total Amount of Liquidated Damages Due
From date of agreement to May 1, 2026	25% of Total Room Revenue \$25,000 + 40% of the Minimum Banquet Food and Beverage Revenue \$16,000, total \$41,000
From May 2, 2026, to November 1, 2026	50% of Total Room Revenue \$50,000 + 40% of the Minimum Banquet Food and Beverage Revenue \$16,000, total \$66,000
From November 2, 2026, to January 30, 2027	75% of Total Room Revenue \$75,000 + 40% of the Minimum Banquet Food and Beverage Revenue \$16,000, total \$91,000
From January 31, 2027, to March 16, 2027	90% of Total Room Revenue \$90,000 + 40% of the Minimum Banquet Food and Beverage Revenue \$16,000, total \$106,000
From March 16 to scheduled arrival	100% of Total Room Revenue \$100,000 + 70% of the Minimum Banquet Food and Beverage Revenue \$28,000, total \$128,000

The better version leaves no doubt as to exactly how much would be due on a specific date and is clear for both parties, while the basic version is up for interpretation.

D. FORCE MAJEURE

Sometimes referred to as Impossibility, Force Majeure is when the event must be cancelled due to unforeseen circumstances that may prevent either party from fulfilling the contract, such as natural disasters. A sample Force Majeure clause might read as follows:

The performance of this Agreement is subject to termination without liability upon the occurrence of any circumstance beyond the control of either party (such as acts of God, war, acts of terrorism, government regulations, disaster, strikes, civil disorder, or curtailment of transportation facilities preventing 40% of the attendees from arriving to hotel's location) to the extent that such circumstance makes it illegal or impossible for the Hotel to provide, or for groups in general to use, the Hotel facilities. The ability to terminate this Agreement without liability pursuant to this paragraph is conditioned upon delivery of written notice to the other party setting

forth the basis for such termination as soon as reasonably practical, but in no event longer than ten (10) days, after learning of such basis.

10. ADDITIONAL CONSIDERATIONS

A. CONDITION OF HOTEL

You are contracting a hotel based on its condition at the time of agreement. The contract needs to state that the hotel warrants that its facilities will be in the same or better condition during your event dates.

Hotels typically know well in advance of their construction and renovation schedule. Be sure to ask if there are any plans for construction or renovation prior to or during your event. The contract must include a clause stating that the hotel must promptly notify the group if the hotel or facilities are at risk of not being in the same condition as when contracted and could affect the group in any way. If the hotel's facilities are not maintained or are significantly affected by construction or renovation, the group typically has the right to terminate the agreement without penalty.

B. HOTEL STAFF, MANAGEMENT, AND OWNERSHIP

Developing a strong relationship with hotel personnel is key to success. This begins in the contracting phase where you will be dealing with the sales team. Equally important is the team to whom you will be handed over once contracted including your primary contact. You may wish to note in your contract that we understand that hotel staffing may change from time to time, and if there are any updates to the primary point of contact, a quick notification would be greatly appreciated to help ensure smooth coordination and planning.

Equally important is the management and ownership of the hotel. You may wish to include a clause that states that if the management and/or ownership of the hotel changes, you must be informed within thirty (30) days and that you have the right to cancel with no penalty.

C. HOTEL RELOCATION PROCEDURE

Like airlines, hotels frequently overbook. If all booked guests do show up, hotels will “walk” some of their guests. The inclusion of a strong “walk clause” will either protect your attendees from being walked, or make sure they are treated quite well if they are. Your walk clause should include the following:

- Hotel will notify group by 10am the day prior to the potential issue if there is a possibility of being oversold, along with a list of all anticipated event participants arriving that day, the total number of rooms to be relocated that day, potential guests to be relocated, and the alternate hotel to which each will be relocated.
- Hotel will walk transient guests before any group guests.
- Under no circumstances will guests listed on the staff and VIP rooming list be walked. Group will have the opportunity to name additional guests to be considered as VIPs including board members, speakers, and sponsors.
- If a group guest is turned away, hotel will pay for each night that the guest is displaced at reassigned hotel of equal or better quality. Rate at alternate hotel shall be no more than the group rate in case guest chooses to stay.
- Hotel will pay for taxi, Uber, or Lyft transportation for guest to and from alternate hotel.
- When a room becomes available and the displaced guest returns, they will be assigned an upgraded accommodation and receive an apology letter from management along with a VIP amenity.

- Group will get credit in room block for any guests that were walked.

C. INDEMNIFICATION

An indemnification clause, sometimes called a “Hold Harmless” clause, addresses liability for damages where both parties cover costs arising from their own negligence or misconduct, balancing risk. An example might read:

Each party will indemnify, defend, and hold the other harmless from any loss, liability, costs or damages arising from actual or threatened claims resulting from its breach of this Agreement or the negligence, gross negligence or intentional misconduct of such party or its officers, directors, employees, agents, contractors, members, or participants, as may be limited by the terms of this Agreement. Neither party will be liable to the other for consequential, special, or punitive damages.

11. RECOMMENDATIONS

This guide is not meant to be a thorough look at hotel contracts. There are numerous other clauses that can be included in a hotel contract including but not limited to alcohol, American with Disabilities Act, compliance with Equal Opportunity laws, compliance with law, dispute resolution, high risk activities, liquor license, litigation expenses, performance licenses, phishing, privacy, security, signage, use of outside vendors, and more.

The most important things you can do in negotiating a hotel contract are to do your homework, be flexible, and document everything. By the time you have negotiated your contract, a good portion of the preparation work for your event has already been done. You have set your agenda and even drafted your menu choices. Don’t be afraid to pit cities and hotels against each other to get the best deal. Most importantly, don’t hesitate to ask for assistance. The AWS Conference Department is ready to assist, answer questions, and review your contract upon request.

Respectfully submitted,

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