

LEGAL CONSULTANTS TO THE MEETINGS AND EXHIBITION INDUSTRY

**CONVENTION CENTER CONTRACT NEGOTIATIONS:
Part 2 - The Strategy and Technical Aspects of Successfully Modifying Convention
Center Leases and Licenses**

By Mark Roysner, Esq.

Most convention centers are owned by the state or municipality where they are located, and as with most governmental agencies there is a general hesitancy towards making any significant modifications to their leases and licenses. Therefore, the initial step toward success in modifying your convention center leases and licenses is to carefully review and evaluate, line by line, the contract presented to you by the center. This should be done from the perspective of your event's real world usage requirements and potential liability exposure, while keeping in mind the current market conditions of the city and facilities you are considering (i.e. how much do they want your business). Additionally, be sure to review all the documents, exhibits and schedules that are "incorporated by reference" into the lease or license as carefully as the lease or license itself. These incorporated documents although not physically attached to the lease or license will automatically become part and parcel of the overall lease or license once it is signed. Typically these "incorporated by reference" documents are the Center's Rules and Regulations, Terms and Conditions, etc.

The next step in successfully negotiating a center lease or license is to develop a strategy that enables you to clearly and concisely articulate to the facility's management the underlying reasons why your requested modifications are essential to a successful contract negotiation and the overall well being of the event. Since some of your initial requests will most likely be rejected for variety a reasons, be prepared to offer alternative modifications to your earlier requests. The single most important ingredient to successfully negotiating a lease or license is determination and stamina; consequently, the old adage "if you don't first succeed, try and try again" is never truer then when it comes to contract negotiations.

Once the plan of action has been determined, you will need to communicate your requests to the convention center's management. One approach is to write a laundry list style letter individually addressing each of your concerns and asking the convention center to modify the contractual language accordingly. Another method is to actually incorporate your requested modifications, including all additions or deletions, directly into the lease or license and the exhibits or appendices other incorporated documents. This is known as "redlining". Redlining can be very effective since all of the modifications, as proposed by you can be considered in their proper contractual context. However, if you use the redline method, it is extremely important to indicate each and every change made to the original documents, otherwise you will compromise your credibility. Also, send a letter with the redlined documents explaining that underlined words and phrases are your organization's requested additions to the current draft of the lease or license and words and phrases with a strike through them are requested deletions. Also, ask the convention center to respond to your modifications using the same protocol so that the redline revisions will be able to serve as a road map of the progress of the negotiations between the parties.

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The simplest way to redline is to ask the convention center to forward you an electronic version of the documents, and than save the file and begin making the modifications directly to the documents using the track changes features of your word processing program. If an electronic version is not available to scan the document into your computer, then use an optical character recognition (OCR) program to convert it into a word document, and begin modifying.

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Part 3 will highlight various terms and conditions to focus in on when negotiating a convention center lease or license.

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