

## CONTRACT BASICS

OKAY , LANCE DANI THOUGHT, as he hung up the telephone, it ' s only 11:00 A.M. Nothing to get upset about . . . yet. I ' m sure Ms. Sangus will know what to do .

Lance was the new front office supervisor at the hotel managed by Trisha Sangus. Generally, he considered himself very good at resolving guest - related difficulties, but he knew that this one was not going to be easy. He had personally handled the room reservation for Tom and Sarah Barry because he knew how important it was. The Barrys ' wedding had been held in the hotel the previous night, and the food and beverage staff had performed flawlessly. The newlyweds had checked into the hotel ' s spectacular bridal suite around 11:30 P.M., and had even called down to the front desk to say thank you for the complimentary champagne Mr. Dani had arranged to be placed in their room. But that was yesterday. He hoped that they would be just as happy in a few hours. Lance again reviewed the two room reservations facing him on his desk. He had asked that they both be printed in hard copy so he could study them carefully.

Mr. Tom Barry

Arrival: Friday, November 3; Departure Saturday, November 4

Room Type Reserved: Bridal Suite, #417

Confirmation Number: 458Y31

Mr. Patrick Farmer

Arrival: Saturday, November 4; Departure Sunday, November 5

Room Type Reserved: Bridal Suite, #417

Confirmation Number: 463Y75

“ No problem, ” he had thought, but that was before the Barrys ' call of a few minutes ago stating that Northeast Airlines had canceled all flights out of the city due to a severe snowstorm, and they would require their room for one more night. Lance reviewed the second reservation. No question about it, the Farmers would be arriving soon. Preparations were currently underway for their wedding, which was also to be held in the hotel. Two guests, both VIPs, only one spectacular bridal suite. Time to

see the general manager. As usual, Trisha took the news calmly, and began gathering the facts of the situation. “ Do we have any unsold rooms for tonight? ” she asked. “ We have 34 arrivals scheduled for tonight, with 26 available rooms, ” replied Lance. “ Twenty reservations are credit card guaranteed, 14 have a 6:00 P.M. hold. With the storm, we may lose a few more arrivals than normal, but you can count on some unanticipated stay-overs also. I originally forecasted for 10 total no - shows. ”

“ Did you confirm the Farmers ’ reservation for thebridal suite? ”

“ Yes, ” said Lance, “ it ’ s part of their group contract. ”

“ How many members of the Farmers ’ group block have reserved? ”

“ They have picked up 90 percent of their 20 - room block. ”

“ Deposit? ”

“ One thousand dollars. ”

Trisha thought for a moment, then said, “ We have a confirmed reservation for the Farmers, and remember that they have a contract with us to host their reception and dinner tonight. I ’ m meeting with the chef and the food and beverage director at noon to review the preparations.

The reception and dinner have a value to the hotel of over \$ 10,000 in food and beverage sales. We certainly don ’ t want to upset those guests. In addition, we have an extremely important stay - over guest in the bridal suite, which the Farmers also have reserved. It seems clear to me that we have only one choice. I ’ m sure you know what to do, Lance. Let ’ s make sure we do it right. ” As Lance left the general manager ’ s office, he was not at all sure he knew what to do. He certainly was not sure how to avoid a serious difficulty with one or both of the hotel ’ s two very important customers. All he knew for sure was that he wished he had a second bridal suite. What was most confusing, he thought, was exactly who had a right to the bridal suite. As he arrived back at his office, Jodi, his front desk agent, peeked her head around his door and knocked softly. “Mr. Dani, ” she began. “ There is a Mr. Farmer here. He knows he ’ s early, but he has requested an early check - in. I told him I would need to get an okay from you.

What

should I tell him?”

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1. The two basic types of valid business contracts.
  2. The four essential components that must be present to create a valid contract.
  3. The purpose of the Uniform Commercial Code (UCC).
  4. The consequences of breaching an enforceable contract.
  5. How to avoid legal difficulties related to contracts before they arise.

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