

## **SIGNIFICANT HOSPITALITY CONTRACTS**

“YOU REALLY SHOULD LOOK INTO BUYING THEM, ” said Latisha Austin.

“ Our guests absolutely love them! ”

The “ them ” Latisha was referring to were the mattresses and box springs that made up the new line of Peaceful Sleep bedding Latisha had just purchased for her 117 room limited - service hotel. It was a beautiful sunny Thursday afternoon, and Trisha Sangus and Latisha had decided to meet at the Walnut Hills Country Club to play a round of golf and talk “ shop. ” Trisha loved to play golf and so did Latisha. Trisha also enjoyed Latisha ’ s company and their conversations. As they chatted at the first tee, awaiting their tee time, Latisha was telling Trisha about the new line of mattresses that had recently been made part of the upgraded bedding standard for all Sleep Well hotels. Latisha was the General Manager of the Sleep Well property in the same town that Trisha ’ s hotel was located. Mr. Larsoon, a real estate developer who had limited hotel experience but possessed excellent business sense, owned it. Trisha knew Mr. Larsoon well, because, earlier in her career, she had worked for a time as the front office manager of the Sleep Well. Mr. Larsoon was an honest businessperson and had taught Trisha much before he retired.

“ Of course, they were expensive”, continued Latisha, “but we really have had lots of good comments on them.”

“Are those the Perfect Sleep mattresses I read about last week in Hotel Monthly ? ” asked Trisha.

“ No . . . mine are Peaceful Sleep, ” replied Latisha,

“ Perfect Sleep are the ones advertised by the Town Park Hotels. My franchise

service manager says our mattresses are better. ”

“How did you choose the supplier of the ones you bought?” asked Trisha.

“ That’s the best part”, replied Latisha, “Select Hotels — our franchisor — set it up so we had our own line of mattresses made by Thompson Mattresses. They designed them just for us. So I just bought the beds from them”.

“Thompson also makes the Perfect Sleep said Trisha.

“ How did Sleep Well pick that vendor? ”

“I don’t really know”, replied Latisha. “ I just got an e - mail announcing the bedding upgrade, then another announcing that we could buy direct from the factory. ”

“What were the actual mattresses specs?” asked Trisha. “ Did you try to buy them locally? ”

“We didn’t get specs, just the brand name of the mattresses — that made it really easy, so I didn’t look for a local manufacturer. Beside, with the whole company buying the beds direct, I ’ m sure we all got a better price for them than I could have gotten locally ” .

How many Sleep Wells are there? ” asked Trisha.

“ I think there are a little over 2, 000,” replied Latisha.

“ Just out of curiosity, said Trisha, “what do you think would have happened if you had bought alternative mattresses? I mean, ones of the same or better quality than the ones you did buy, but from a different manufacturer. ”

“ Oh, we couldn ’ t have done that, ” replied Latisha,

“ if we didn ’ t meet the brand standards, we ’ d lose points

on our biannual “ Inspection Quality ” score. You must remember that! ”

Trisha remembered well how excited and nervous everyone at the hotel got when the Sleep Well “inspector ” made the twice yearly property visit. The actual score

the hotel received on its inspection was always very important to the general manager and reflected a variety of factors, one of which was that individual property ' s adherence to the franchisor ' s ever changing brand standards.

“Well”, said Latisha, as she approached the white tees and readied her ball, “you really should look into them. You really can ' t go wrong in this business when you're trying to give your guests as comfortable a night ' s sleep as possible.”

Perfect Sleep or Peaceful Sleep, the Thompson Company certainly created clever names and clever marketing programs, thought Trisha. Trisha actually had no doubt that the new beds Latisha had purchased were, in fact, comfortable.

She also had no doubt, however, that if she were managing the Sleep Well, she would have been uncomfortable recommending their purchase to Mr. Larsoon.

1. Contract clauses commonly utilized in hospitality contracts.
2. The purpose of a franchise contract (franchise agreement).
3. The purpose of a management contract (management operating agreement).
4. Important forms of meeting space contracts used in lodging operations.
5. Important forms of group rooms contracts used in lodging operations.