



# THE UNIVERSITY OF CHICAGO

Procurement and Payment  
Services  
6054 South Drexel Avenue  
Suite 400  
Chicago IL 60637-2612

## *PREFERRED HOTEL MASTER GROUP AGREEMENT*

Contract Number: 22144615

Effective: April 17, 2012

**HOTEL:** Four Seasons Hotel Chicago, 120 East Delaware Street, Chicago, Illinois 60611

**UNIVERSITY:** The University of Chicago, Procurement and Payment Services, 6054 South Drexel Avenue Suite 400, Chicago, Illinois 60637, Telephone: (773)702-3320 FAX: (773)702-2975

This Preferred Hotel Master Group Agreement ("Agreement") is made and entered into effective as of the date fully executed below by and between The University of Chicago ("University"), for and on behalf of its various departments, affiliates, and colleges ("Department" or "Departments") and the hotel identified above ("Hotel").

WHEREAS, University requests accommodations, meeting space, and/or services for events ("Event") from time-to-time;

WHEREAS, Hotel represents that it has the facilities, personnel and expertise to provide such accommodations, meeting space and/or services;

WHEREAS, the parties desire to simplify the contracting process for future Events by agreeing to the general terms and conditions in advance.

NOW THEREFORE, for and in consideration of the mutual promises and covenants expressed herein, the parties agree as follows:

**1. ADDENDA** If the parties agree to an Event to be held at Hotel, the parties shall complete an Addendum describing the accommodations, meeting space, services, and applicable charges using the forms attached as Exhibits A and B to this Agreement, as appropriate to the Event (the "Room Block Addendum" and "Event Addendum", respectively). Should a conflict arise between this Agreement and any Addendum, this Agreement shall control. The contents of the Addenda are for the sole purpose of defining the accommodations, meeting space, services, and applicable charges related to each Event. The contents of the Addenda may not alter any provision herein, including those provisions relating to liability, indemnification or insurance.

**2. GUEST ROOM RATES** Guest room rates are to be quoted exclusive of applicable state and local taxes or applicable service or Hotel specific fees in effect at the time of the event.

**3. GUEST ROOM RESERVATION CUT-OFF DATE** Hotel agrees to hold the room block until twenty one (21) days prior to the Event start date set forth in the applicable Room Block Addendum. At that time, rooms not covered by a rooming list submitted by the Department, or individual reservations, shall, subject to the terms hereof concerning guarantees, cancellation and attrition, be released from the room block and Hotel shall have the right to sell any rooms so released. Hotel shall continue to accept reservations received after the Cut-Off Date on a space available basis. Reservations, including reservations made after the Cut-Off Date, for all guests attending the Event shall count toward the attrition calculation provided in this Agreement.

**4. ADDITIONAL SERVICES AND FEES** In addition to the services described below or in the applicable Event Addendum or Room Block Addendum, Hotel agrees to provide a list of optional services (and associated fees) available to the Department in connection with the Event.

Guest room basic internet access shall be complimentary, and the Department shall receive one (1) complimentary room for each forty (40) guest rooms utilized on a cumulative basis. Hotel shall not charge an early departure fee to the Event guest. Hotel shall offer complimentary or reduced parking for VIPs and Department staff, including reduced guest room rates for Department staff and speakers. Hotel shall upgrade guest rooms if possible for VIPs listed in applicable Room Block Addendum at no cost to the Department. Department may use outside contractors of its choosing without a surcharge from Hotel or its in-house supplier for security and exhibitor decorating.

**5. NON-COMMISSIONABLE** Rates are to be confirmed on a net non-commissionable basis.

**6. TAX EXEMPT STATUS** Hotel acknowledges that University is a not-for-profit organization exempt from sales and use taxes in the State of Illinois (tax exempt ID Number E9990-5280-06), as well as Connecticut, Florida, Massachusetts, Michigan, Minnesota, Missouri, New York, Tennessee, Texas and Wisconsin. Where applicable, Hotel agrees not to charge University for applicable taxes. University shall provide a tax exempt certificate to Hotel upon request.

**7. RELOCATION PROVISIONS** Hotel shall not relocate or walk any Event guest holding a confirmed reservation on the day of arrival. University encourages a pre-walk whereby Hotel shall notify University in advance and set up arrangements for the Event guest to stay in another hotel upon mutual agreement. Hotel shall provide all of the following to such Event guest: written notification to Event guest, arrangements for accommodations at a comparable nearby hotel and payment for one night of accommodation; complimentary transportation to and from Hotel for each day the Event guest is displaced; priority reservation for the first available room at Hotel the following night(s); one long distance phone call so that Event guest can provide notice of the change of location; and listing of the Event guest's name with the Hotel switchboard in order to facilitate the transfer of the Event guest's phone calls to the alternate hotel number.

Any relocated Event guests shall be credited by Hotel toward the Department's guest room block pick-up for purposes of this Contract and for calculation of Department complimentary guestroom credit.

**8. PERFORMANCE CLAUSE FOR GUESTROOMS** Hotel is relying on the Department to utilize eighty percent (80%) of the final adjusted room block that has been mutually agreed upon in writing. Adjustments to the room block herein may only be made with the written consent of both parties. If the Department falls below eighty percent (80%) of total room nights on a cumulative basis, the Department shall pay to Hotel, as liquidated damages, and not a penalty, an amount equal to the difference between (a) eighty percent (80%) of the minimum guest room nights multiplied by the single convention guest room revenue and (b) the actual guest room nights multiplied by the single convention guest room revenue. After receipt of the attrition charge, Hotel shall not seek additional performance damages. For any day that Hotel achieves one hundred percent (100%) occupancy during the official Event dates, the Department shall receive credit for full achievement of the contracted guest room block for those days. In such case, the Department's total pick up shall be calculated by adding the difference between the contracted and actual room nights for sold out nights to the Department's total pick up.

Guest rooms shall be credited to the Department room block no matter what method was used to make the reservation and no matter what rate was quoted for that reservation. Miscoded rooms shall be credited to the Department's pickup. Upon request from the Department, Hotel shall match their Event registration list to the Hotel in-house guest room list. Any rooms used outside of the contracted block dates shall be credited toward Department pickup.

The Department shall only be liable for liquidated damages under this Section for rooms that are not resold and remain available for sale. The Department shall not be charged for more rooms on a particular night than the Department had blocked on such night. Upon request, Hotel must submit to the Department a copy of the t daily occupancy report documenting the number of occupied rooms.. Hotel agrees that receipt of this attrition payment shall be Hotel's sole remedy for failure to meet the guest room block commitment.

**9. REFUND OF DEPOSIT** If the Event is cancelled by Hotel or for any reason other than cancellation by University, Hotel shall provide University with a refund of any deposits or other fees paid in connection with the Event within thirty (30) days of the cancellation.

**10. FOOD AND BEVERAGE MINIMUM** Hotel shall establish a eighty percent (80%) Minimum Food and Beverage Charge which it shall require the Department to fulfill for any functions at which food and/or beverage services are required at the Event ("Food and Beverage Functions"). The Minimum Food and Beverage Charge shall not include service charges, tax, labor charges, audiovisual or any other miscellaneous charges. Should the expected guest count drop below the agreed-upon estimated number of guests prior to the Event, Hotel shall advise the Department of alternatives for food and beverage which shall bring the function back up to the Minimum Food and Beverage Charge for the function.

A 21.75% Banquet Event Charge and 11.50% I.R.O.T (tax) will be added to all food and beverage costs. (or the then current prevailing Banquet Event Charge and/or sales tax percentage). The 21.75% Banquet Event Charge includes an 18% service charge and a 3.75% administrative fee. The Service charge is distributed in its entirety to service employees, banquet managers, banquet captains and set up managers. The Administrative fee is used to off set overhead costs incurred by the hotel for the event. Carver, Chef and Attendant fees if applied are distributed 52% to the server and 48% to the hotel to cover the costs associated with that service. Corkage, if applied, is distributed at 90% to the servers and 10% to the hotel to cover the costs (i.e. taxes and labor) associated with that service. Currently these taxes are 14.75% for room rental and soft drinks, 11.50% for all food, beverage, labor and miscellaneous charges. These or prevailing percentages will apply. Sales taxes will be compiled in strict accordance with federal, state/provincial and local tax regulations on all other charges.

In the event of extraordinary needs, there will be a labor fee charged for set-up/tear down time of \$15.00 per person, per hour. Additional set-up/tear down time, if needed, must be specified on the program

All food and beverage prices are confirmed and guaranteed at the time of signature on the Event Addendum based on current published menu pricing.

The Department must provide Hotel with twenty-one (21) days advance notice of the date(s), time(s) and number of guests with respect to the Food and Beverage Function(s) it wishes to schedule, and shall provide final guarantees of this information no later than seventy-two (72) hours prior to the scheduled time for each such Food and Beverage Function. A five percent (5%) allowance in food preparation over the guaranteed number of guests shall be given on all Food and Beverage Functions

**11. PERFORMANCE CLAUSE FOR FOOD AND BEVERAGE** If the actual amounts paid by the Department for any Food and Beverage Function falls below the applicable Minimum Food and Beverage Charge within fourteen (14) days prior to Event, the Department shall pay to Hotel, as liquidated damages, and not a penalty, the lost profit on the slippage, thirty percent (30%) of the food and beverage charges.

Hotel agrees that receipt of this attrition payment shall be Hotel's sole remedy for failure to meet the Minimum Food and Beverage..

If the Department cancels a function and Hotel is able to replace it with another function, the resulting revenue should be credited toward the damages owed by the Department. In addition, if Events are added in conjunction with the meeting, the revenue should be credited toward the damages owed.

**12. OUTSIDE FOOD AND BEVERAGE POLICY** All food and beverage served at functions associated with the Event must be provided, prepared and served by Hotel, and must be consumed on Hotel premises, unless stated otherwise.

Please note that University is exempt from all taxes levied on food and beverage.

**13. ALCOHOLIC BEVERAGES** To the extent Hotel shall serve alcoholic beverages in connection with the Event, Hotel agrees (a) to comply with all applicable laws and regulations related to the sale and service of alcoholic beverages and (b) that University has no responsibility with respect to such compliance.

**14. FUNCTION ROOM RENTAL CHARGES** Based on the approximate number of guests mutually agreed upon for the function and total profit brought to Hotel in guestrooms, a room rental charge may be established for any meeting functions that are not Food and Beverage Functions ("Non-Food and Beverage Functions").

Hotel reserves the right to charge or waive function room rental charges based on size of events.

Hotel reserves the right to reassign function rooms to comparable meeting or banquet rooms other than those appearing in the applicable Event Addendum of this Agreement, upon written notice to the Department ten (10) business days prior to the Event.

**15. SPACE WARRANTIES** Hotel warrants that it shall provide hereunder all conference, banquet, reception, registration and function space(s) properly equipped and maintained including proper heating and air conditioning when and where necessary, podium, note pads, pencils, candies, water, water glasses, lighting, and proper chairs, and tables. All rooms and function space(s) shall be provided by Hotel in such condition as would normally be provided by a first class hotel and Hotel warrants that in no event shall the overall quality of Hotel, its function space, its guest rooms, and public areas decrease from the levels existing at the time of execution of this Agreement. Hotel agrees that any in-house music or paging system may be turned on or off in any function space at the Department's sole discretion and at no charge to the Department.

All function rooms shall be kept locked while not in use by the Department. Function rooms shall be locked under the inspection of an authorized Department member, and shall not be opened except as authorized by the Department member. Housekeeping shall be informed by Hotel of this requirement.

**16. LOWEST RATE** Hotel agrees not to quote, publish or extend to another group of similar size and booking, a room rate lower than the group room rate offered to the university under this agreement for the same peak dates of the event.

**17. SUB-CONTRACTED VENDORS** All contracted third-party vendors providing service to the Department at Hotel must be insured by Hotel.

**18. CREDIT ARRANGEMENTS** Accounts may be settled based on the request and specifications of the Department. If applicable, all charges payable by University shall be applied to the master account and direct billed. If an existing direct bill account is not already established and on file for University, Hotel shall request the necessary information required establishing a direct bill account, and University shall submit the information, prior to the Event start date. Unless explicitly provided in the applicable Event Addendum or Room Block Addendum, University shall not be responsible for any charges made by Event guests.

**19. MASTER ACCOUNT** At time of contract signature, a direct bill account shall be created as a master account for all University Events. An authorized Department Representative must approve in writing all charges posted to the University master account before the Department is billed for any such charges. All fees shall be set forth in the applicable Event Addendum or Room Block Addendum.

**20. INVOICE STATEMENT** Hotel shall upon the Department's request to make every effort to have appropriate explanations and back-up data sent along with the pertinent invoice.

**21. CANCELLATION OPTIONS**

The Department may terminate the applicable Event Addendum or Room Block Addendum and cancel any Event under this Agreement upon written notice to Hotel at any time prior to the Event. Such termination and cancellation shall be followed by a cancellation payment to the non-canceling party within (10) business days following the notice of cancellation, based on the following scale:

181 days up to 121 days prior to Event	25% of Guaranteed Guestroom Revenue
120 days up to 61 days prior to Event	50% of Guaranteed Guestroom Revenue
60 days up to 31 days prior to Event	70% of Guaranteed Guestroom Revenue
30 days prior to Event	80% of Guaranteed Guestroom Revenue and 80% Food and Beverage Revenue
14 days prior to Event	100% of Guaranteed Food & Beverage Revenue and 100% of Guestroom Revenue

Hotel shall not cancel, limit or change meeting dates, rooms or other space reserved under this Agreement without prior written consent from the Department.

**22. MITIGATION** In the event of cancellation of an Event under the preceding section, or the cancellation of any Food and Beverage Functions or Non-Food and Beverage Functions, Hotel shall undertake all reasonable efforts to resell any unused or canceled rooms and any unused or canceled function space, and shall credit the revenues from such reselling against any penalties, attrition fees, performance clause fees, or liquidated damages provided under this Agreement. Any such penalties, fees, or liquidated damages shall be due upon cancellation of the event. An occupancy report for each day of the Event shall be provided to Department upon request.

**23. RIGHTS OF TERMINATION FOR CAUSE** This Agreement is subject to termination for cause without liability of the terminating party, under any of the following conditions:

In the event that one party shall make or suffer a voluntary or involuntary assignment for the benefit of creditors or enter into bankruptcy proceedings prior to the date of the Event, the other party shall have the right to cancel this Agreement without liability upon written notice to the other. In the event of termination by Hotel under this section, Hotel shall refund all deposits and/or prepayments made by the Department within five (5) business days of the notice of termination.

**24. FORCE MAJEURE** Neither party hereto shall be liable or responsible to the other for any loss or damage or for any delays or failure to perform due to acts of God, strikes, epidemics, war, riots, flood, fire, sabotage, terrorist activity or warning, closure of airports, and order or restriction by any governmental authority. If an Event is cancelled due to the foregoing, Hotel shall promptly refund all amounts paid by University.

**25. SIGNS AND DISPLAYS** No signs, banners or displays shall be created, displayed or affixed in any part of Hotel without the prior approval of Hotel.

**26. INDEMNIFICATION** Hotel agrees to indemnify, defend and hold harmless The University of Chicago and its trustees, officers, directors, partners, agents, members and employees from and against any and all demands, damages to persons or property, losses and liabilities, including reasonable attorneys fees (collectively "Claims") that may be asserted by third parties arising out of or caused by the negligence or willful misconduct of Hotel, its employees, agents or contractors in connection with the provision of Hotel's facilities.

University shall indemnify, defend and hold harmless Hotel and its officers, directors, partners, agents, members and employees from and against any and all Claims that may be asserted by third parties arising out of or caused by the negligence or willful misconduct of University or its employees or agents in connection with the provision of Hotel's facilities.

Neither party shall have waived or be deemed to have waived, by reason of this paragraph, any defense that it may have with respect to such Claims. Each party agrees to give the other prompt written notice of any claim made which may be covered by this indemnification provision.

**27. INSURANCE** University is self-insured and shall not purchase additional insurance coverage for the Event. Hotel is required to insure its obligations set forth in the section entitled Indemnification above, and to provide evidence of such insurance upon request. For any activity introduced onto the premises by an outside contractor hired by University, University shall be fully responsible for the actions of such outside contractor. Upon request, University shall provide a certificate of insurance covering the actions of such outside contractor, naming Hotel as additional insureds with regard to the activities of such outside contractor.

**28. AMERICANS WITH DISABILITIES ACT**

**Compliance by Hotel** Hotel is responsible for complying with the public accommodations requirements of the Americans with Disabilities Act ("ADA") not otherwise allocated to University in this Agreement, including (a) the "readily achievable" removal of physical barriers to access to the meeting rooms (e.g. speakers' platform and public address systems), sleeping rooms, common areas (e.g. restaurants, rest rooms, and public telephones); (b) the provision of auxiliary aids and services where necessary to ensure that no disabled individual is treated differently by Hotel other than other individuals (e.g. Braille room services menus or reader); and (c) the modification of Hotel's policies, practices, and procedures applicable to all guests and/or groups as necessary to provide goods and services to disabled individuals (e.g. emergency procedures and policy of holding accessible rooms for hearing and mobility impaired open for disabled individuals until all remaining rooms are occupied).

**Compliance by University** University is responsible for complying with the following public accommodations requirements of ADA: (a) the "readily achievable" removal of physical barriers within the meeting rooms utilized by University which University would otherwise create (e.g. set-up of exhibits in an accessible manner) and not controlled or mandated by Hotel, (b) any extraordinary costs for special auxiliary aids requested by the attendees/University shall be borne by University provided Hotel notifies University in advance and in writing and (c) the modification of University's policies, practices and procedures applicable to participants as required to enable disabled individuals to participate in the Event.

**Mutual Cooperation in Identifying Special Needs** University shall attempt to identify in advance any special needs of disabled registrants and guests requiring accommodations by Hotel. Each party shall notify the other party in writing of such need for accommodation as soon as they are aware of any need. Hotel shall notify University in advance and in writing of requests for accommodations which it may receive other than through University to facilitate identification by University of its own accommodation obligations or needs as required by ADA.

**29. DAMAGES** Except for a party's obligation of indemnification set forth herein, neither party shall be liable to the other for any special, indirect, incidental, consequential, punitive or exemplary damages, including, but not limited to, lost profits, even if such party has knowledge of the possibility of such damages.

**30. LIABILITY FOR DAMAGE TO FACILITIES** University shall not have any liability of other financial obligation to Hotel for any damage occurring in connection with an Event, except for that which is caused by the gross negligence or willful misconduct of University or its invited guests.

**31. GUEST ROOM CONDITIONS; PEST INFESTATION** Hotel shall disclose to University any significant instances of pest infestations on Hotel premises within the prior eighteen (18) months of the date this Agreement is executed, and continuing thereafter during the term of this Agreement. For purposes of this Agreement, "significant instances of pest infestations" include lodging of a verbal or written complaint about interior area pests or pest infestations from five (5) or more guests within any rolling thirty (30) day period. Disclosure shall include the nature of the complaint, dates of complaints, type of infestation, number of complaints, and actions taken by Hotel in response to said complaints. In the event that University determines in good faith that the pest infestation is likely to materially affect attendance at Department Events or use of Hotel sleeping rooms, University may, in its discretion, cancel this Agreement or the applicable Event without penalty, and that University shall be excused from all sleeping room attrition clauses as well as food and beverage guarantees set forth elsewhere in this Agreement. In addition, Hotel hereby agrees that it shall be personally responsible to individual guests of Hotel who have reserved rooms in connection with the terms of this Agreement for injury or other damages resulting from instances of pest infestations occurring within Hotel's premises.

**32. PUBLICITY** Each party agrees that it shall not, either directly or indirectly, use the name, trademarks, or logos of the other party of its subsidiaries in any press release or advertising material without the prior written consent of the other party.

**33. RENOVATION** Hotel shall promptly send written notification to University and Department of any significant construction or remodeling to be performed in Hotel during the Event. Hotel shall endeavor to keep such activity from distracting or interfering with the use of meeting rooms or other facilities to be used during the Event. If it is reasonably anticipated that there shall be a significant interference, Hotel shall arrange comparable meeting and guest-room facilities at a nearby hotel.

**34. OTHER FUNCTIONS** University shall supply Hotel with a list of potential competing conferences or companies. Hotel shall promptly then notify University of any , competing, Hotel warrants to University that there shall be no distractions or disturbances which shall affect the ordinary use of function and meeting rooms or other facilities to be used by Department and its attendees.

**35. OWNERSHIP AND MANAGEMENT** Hotel shall promptly advise University of any change in Hotel's management or ownership. This Agreement may be cancelled by University without penalty if there is any change in management, provided that University notifies Hotel of such cancellation in writing within thirty (30) days after University is advised by Hotel of such change.

**36. EMERGENCIES** In the event that Hotel becomes aware of a medical or other emergency pertaining to an Event attendee(s) who is (are) located in Hotel, then Hotel shall immediately notify University staff of the name of such attendee and the nature of the emergency.

**37. NOTICES** All notices and demands required hereunder shall be deemed given upon personal delivery or next business day following sending by reputable overnight delivery carrier or three (3) business days following sending by United States Registered or certified mail, postage prepaid addressed to Hotel and University as follows:

if to University:

The University of Chicago  
Procurement, Payroll and Payment Services  
Attn: Travel Program Administrator

6054 S. Drexel Avenue Suite 400  
Chicago, IL 60637-2612

if to Hotel:

The Ritz Carlton Hotel Chicago  
Attn: Tammy DeLau  
160 E Pearson St, Chicago, IL 60611

**38. INVOICE AUDIT** Hotel agrees to provide transient and Event group guest room booking data to University every calendar quarter no later than fifteen (15) days of month end close. This data should be submitted in an electronic format that is mutually acceptable to both parties. The form of data reporting shall be mutually agreed upon prior to the first reporting period.

**39. VENUE GOVERNING LAW** This Agreement is governed by the laws of the State of Illinois. The parties hereby submit themselves to the jurisdiction of the state and federal courts sitting in Chicago, Illinois.

**40. HEADINGS** The headings used in this Agreement are for convenience only and are not intended to be considered in construing its terms. The use in this agreement of the terms "include", "includes", "including", and "such as" shall be deemed in all cases to be followed by the words "without limitation".

**41. CONFIDENTIAL INFORMATION** The parties understand and agree the information which has been or may hereafter be furnished to Hotel by University in connection with Hotel's services therefore, is the property of University, and has been furnished solely to enable Hotel to render service to University except as may otherwise be required by law, only be disclosed to third parties, in writing or orally, upon the specific prior written agreement of the parties, provided, however, that if any of such terms have become public information without the fault of the other party these terms shall no longer be treated as confidential by either party.

In addition, any information gathered by Hotel on individual Event guests shall be held confidential and not utilized in any other form except for the sole purposes of this Agreement.

**42. TERM AND TERMINATION** A. This Agreement shall commence on April 17, 2012 and shall continue in full force and effect unless terminated in accordance with Paragraph B.

B. Hotel reserves the right to terminate this Agreement in its entirety with thirty (30) days prior written notice. Additionally, University may terminate any of the Addendas or this entire Agreement upon thirty (30) days prior written notice to Hotel and without penalty.

The provisions of Sections 9, 26, 32, 39, 40, and 42 shall survive any termination of this Agreement.

**43. ENTIRE AGREEMENT; MODIFICATIONS** This contract, with all Addenda and other exhibits attached, constitutes the entire agreement between the parties and may not be amended or changed unless done so in writing signed by University, through its office of Procurement, Payroll and Payment Services, and Hotel. The undersigned represent that they are authorized to sign and enter into this contract.



IN WITNESS HEREOF, the parties may execute this Agreement in two (2) counterparts, each of which shall be deemed an original and do hereby warrant and represent that their respective signatory whose signature appears below has been and is on the date of this Agreement duly authorized to execute this Agreement.

HOTEL:

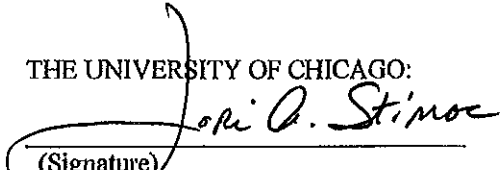
  
(Signature)

Tammy DeLeon  
(Printed Name)

GROUP SALES MANAGER  
(Title)

4/18/12  
(Date)

THE UNIVERSITY OF CHICAGO:

  
(Signature)

Lori A. Stima  
(Printed Name)

TRAVEL PROGRAM ADMINISTRATOR  
(Title)

April 18, 2012  
(Date)