

FACT SHEET

FROM Stacia Palser, Deputy General Counsel

[REDACTED]

Kylie Kuhl, Associate General Counsel

DATE: March 18, 2020

RE: Coronavirus (COVID-19) Implications in University Contracts

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The current coronavirus (COVID-19) effects several university functions, including contracts that the

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1. For cause - this type of provision may be general and explain that a party may

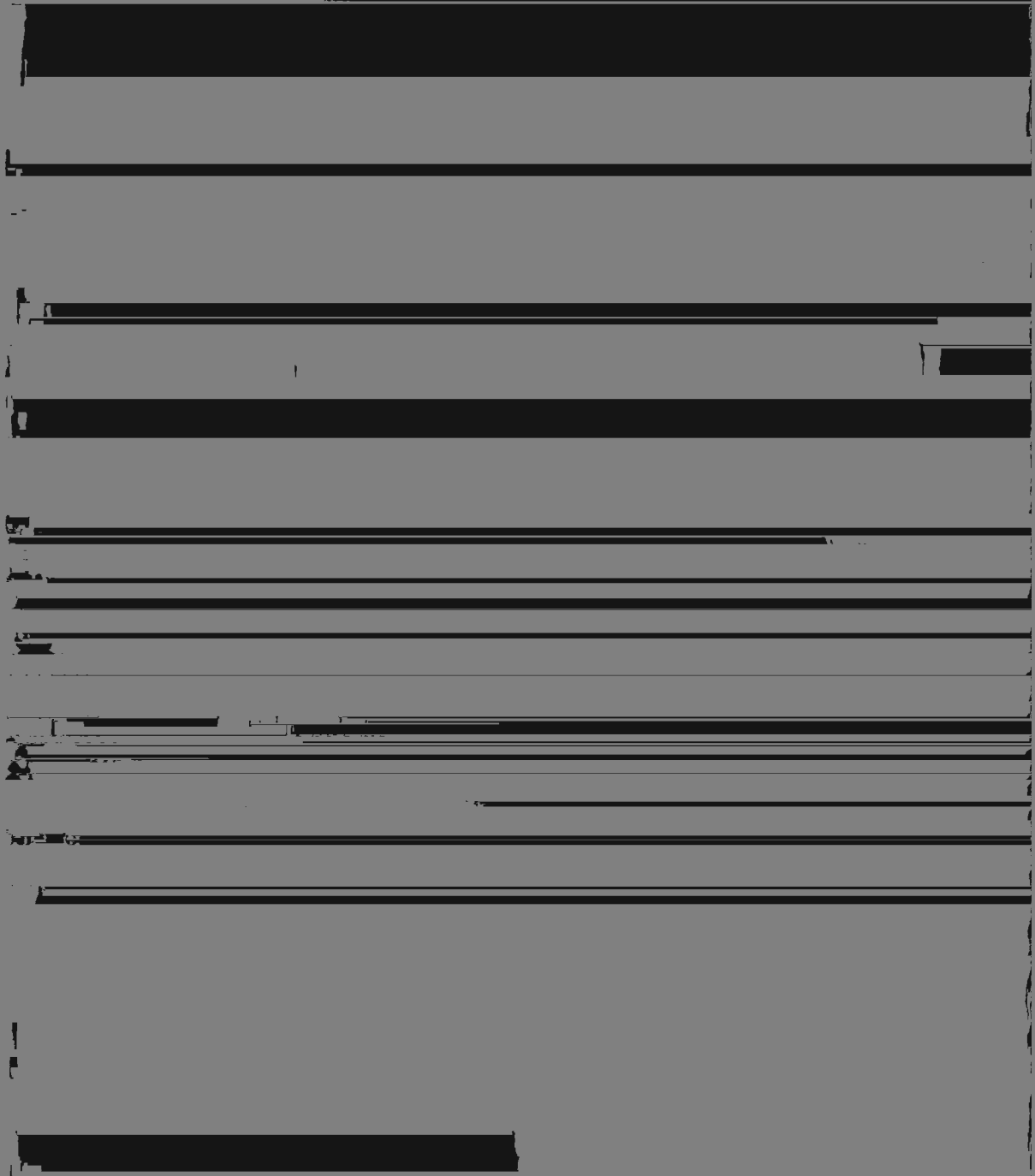
c. **Consider further negotiations.** An agreement reflects the parties' mutual agreement at

circumstances change, so consider whether an alternative arrangement would benefit the University. The new terms of the arrangement are a business decision, however, please seek legal advice through your normal campus contracting process if desired. Such

negotiations may include negotiating a reduction in penalties or fees, particularly if the University has an ongoing business relationship with the other party, revising dates of performance and other creative alternatives to address the implications of COVID19.

5. What questions should I ask myself when considering inclusion of a force majeure provision in a University contract?

- a. **Does it benefit both parties?** A force majeure provision should apply to both parties. In addition, it should benefit both parties. Consider whether the force majeure provision is drafted in a way to only contemplate one party's performance under the agreement.
- b. **Does it suspend performance or cancel performance?** Some force majeure provisions only suspend performance during the force majeure period and allow the party to perform after the force majeure event. It may also extend the term of the contract beyond the initial term for the amount of time the contract was suspended. Consider whether this is acceptable to the University. For example, this may not be a good option



7. What if the other party is threatening legal action?

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contacting the Office of the General Counsel for legal advice. This generally includes reaching out to your Vice Chancellor for Business and Finance.

9. What should I contact if I have legal questions about a contract and COVID19?

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- a. Unless exigent circumstances exist, please follow your normal campus processes when contacting the Office of the General Counsel for legal advice. This generally includes