

2009 HOSPITALITY LAW CONFERENCE

The Hospitality Industry in Latin America: The Emerging Market and the Challenges Ahead



presented by

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Presenters



Nelson F. Migdal

- Experienced in representing clients in connection with matters relating to hotels, commercial real estate, and telecommunications.
- Emphasizes the acquisition, management and disposition of hotels, shopping centers, apartment buildings and other commercial property.
- Experienced in preparation and review of commercial leases, purchase and sale agreements, partnership agreements, multiple building covenants, corporate documents and other documents related to the acquisition, financing, development, leasing, management and disposition of real and personal property.



Challenges and Opportunities in Latin America

- Brand vs. Boutique
- “For-Sale” Hotel Units
- Land of Resorts
- Latin American Labor Laws and the Hospitality Industry



Hotel Financing and SNDAs

- The Government as Landlord
 - Concession based territories
 - Ground Lessor and multiple parties
 - All parties must anticipate a steep learning curve
- SNDA – Always a Challenge...
 - The Basics
 - Follow the Money!
 - A Conditional Assignment? Yes.



Hotel Financing and SNDAs

- Negotiating a SNDA
 - Steep learning curve for all parties
 - No one knows what to expect next...so be ready
- Which SNDA Form Wins?
- The Economic Crisis and the SNDA
 - What should be subordinated?
 - Collateral Assignment
 - Why is this important?



Hotel Financing and SNDAs

- Lender Stepping into the Shoes of Hotel Owner
 - Exercise of Remedies
 - What now with the Hotel Manager?
- Non-Disturbance – Not as Simple as it Appears
 - Benefit of the Bargain
 - Spring Back option
- Limitations on Liability
- Timing!



Employment Concerns

- BELABOR THE LABOR LAWS
 - Know the laws....and know they change
 - Potential litigation
- Employees Misconceptions
 - Misconceptions
 - Deep Pockets
 - Always be aware of the changing political environment
- Additional Requirements for Concession Based Territories



Employment Concerns

- Hotel Developments Improve Existing Infrastructure
 - Hot topic!
 - This may be good for the owner and manager
 - Negotiate
- To Employ or not to Employ?
- Employment Litigation Cuts into the Bottom Line
- Tips on Avoiding Employment Litigation



What Should I Do With the Property?

- Branding the Hotel Property
 - Consider:
 - Strength of flag in International waters
 - Strength of Brand Strength of Asset
 - Positioning the brand in Latin America
 - International Considerations for Management Agreements
 - Heightened Security
 - So What's Next in Latin America?

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