

5 Things You Need to Know About the Recent Illinois Ruling on Force Majeure and COVID-19

“The first reported substantive ruling by a judge sitting in Illinois on the legal implications of whether COVID-19 and the resulting governmental shelter-in-place orders relieve a tenant’s obligation to pay rent pursuant to a force majeure provision in a commercial lease agreement was entered by U.S. Bankruptcy Judge Donald Cassling on June 3, 2020,” write Paul W. Carroll and Daniel E. Crowley in Gould + Ratner’s *Publications*.

“The ruling in *In re Hitz Restaurant Group, LLC*, (N.D. Ill., Case No. 20-05012) came in response to a landlord’s motion to force a restaurant tenant to come current on unpaid post-petition rent. The court sided with the tenant and reduced its post-petition rent obligation by 75%.”

“The ruling already has garnered widespread attention as a potential bellwether on the applicability of force majeure clauses in commercial leases.”

This article provides five to know about this decision.

Read the article.