

Contracts in the COVID-19 Era

“By this point in the COVID-19 pandemic, almost every person in business, construction, and real estate has heard the term ‘Force Majeure’ more times than they can count. This is an important contract clause for a party required to perform obligations—and whose performance might be delayed or limited by unforeseeable events or events outside of their control such as civil or labor riots, wars, fires, terrorism, explosions, weather disasters, and acts of G-d. The typical force majeure contract clause will excuse such a delay in performance or provide the party with additional time to perform if the delay is the result of a force majeure event,” discusses David Podein, Parnter at Haber Law in ***Contractor***.

“But what about unforeseeable governmental restrictions or even economic disasters—especially on a statewide, national or even global scale? Would the 2008/2009 global financial crisis qualify as a force majeure event under your boilerplate force majeure clause? Would the 2020 COVID-19 pandemic qualify as a force majeure event under your boilerplate force majeure clause?”

Read the article.