

The Enforceability of 'Evergreen Clauses'



An increasing presence in contractual transactions is the automatic renewal clause known as the “Evergreen Clause,” writes **Andrew C. Voorhees** of **Weltman, Weinberg & Reis Co., LPA**.

“An Evergreen Clause allows for an agreement to continue for a defined period if the existing agreement is not renegotiated or properly cancelled within a specified time. Evergreen Clauses can be found in both consumer and commercial contracts, including Residential Lease Agreements, Advertising Contracts, Gym Memberships, and many other service-based agreements,” he explains. “The question is whether Evergreen Clauses are enforceable, as their effect is to automatically bind a contracting party to an agreement beyond the original contract term.”

Read the article.