

From: Alan Gluck <Alang@airprojects.net>
Sent: Tuesday, January 15, 2013 10:28 AM
To: Zachrisson, Deanna
Subject: RE: Host lease

I think what you have requested is spot-on, and audited is key (although I'm wondering if smaller firms might not have audited statements...I just don't know). And I agree with your final statement...but that is the key...if anybody wants this to stand up to the scrutiny it will now be under by the FAA, and by other firms who are going to ask for the same treatment.

Alan

From: Zachrisson, Deanna [<mailto:Zachrisson.D@portseattle.org>]
Sent: Tuesday, January 15, 2013 1:17 PM
To: Alan Gluck
Subject: RE: Host lease

Yes, this is of course exactly what I was thinking, and I confirmed yesterday that I can demand financials. I know we discussed this before, in the maelstrom of the motion last year, but I think that I want audited P&Ls, cash flows, long-term debt, correct? I'll have to be very specific or they'll try to give me something else (usually something we already have. I want to limit the folks we'll even consider to concourses A & D, since we are not giving relief for the recession because everyone felt that and everyone would run to the fore. Something along the lines of exceptional circumstances. I do like the additional "information regarding what actions they have taken to address sales." Any specific metrics on that one that you'd suggest? AirProjects would end up doing any analysis.

My strong belief is that they will not, as they never have been willing in the past, to provide financials. Then it will be up to the political strength of the Port to not cave on that point.

D

From: Alan Gluck [<mailto:Alang@airprojects.net>]
Sent: Tuesday, January 15, 2013 10:10 AM
To: Zachrisson, Deanna
Subject: RE: Host lease

I'm so sorry Deanna...was hoping this was a forgotten little footnote that could have helped you out on this.

In terms of a staff proposal, let's circle back to the only fair basis...they need to prove that they were damaged and prove how much they were damaged. Those who are requesting "relief" must provide at least 3 years of detailed by-store financials as well as information regarding what actions they have taken to address their sales issues. Then, a 3rd party (I recommend us) can do an analysis of the true impact and make recommendations for any true-ups that may be necessary. If they refuse to participate by providing information, then there is no way they can legitimately cry foul anymore, as you afforded them an opportunity and they refused to participate.

Hope this helps.

Alan

From: Zachrisson, Deanna [<mailto:Zachrisson.D@portseattle.org>]
Sent: Tuesday, January 15, 2013 12:59 PM
To: Alan Gluck
Subject: RE: Host lease

Hi Alan,

Yes, I'm aware of it because my attorney Paul keeps throwing up his arms in exasperation when he reminds me. But this is a good reminder, because yesterday I got some marching orders to come up with a staff proposal to make our issues go away sooner rather than later. Of course, I wanted to just tell them that they've got to wait until we figure out the MP, but we are apparently in too much agony to wait that long. I will make sure to use this in my one-page proposal. More later.

Deanna

From: Alan Gluck [<mailto:Alang@airprojects.net>]
Sent: Tuesday, January 15, 2013 3:05 AM
To: Zachrisson, Deanna
Subject: Host lease

Hey Deanna:

I was going through the Host lease for something else and came across this in Addendum 2. Since this covers subs, doesn't it further "protect" the port from the claims and demands being made?

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5. Release of Claims Related to Impacts. Lessee, for itself and claiming by or through Lessee (including, but not limited to, any subtenant joint venture partners or otherwise), hereby releases and forever discharges its Commissioners, agents, employees, either past or present, and all persons them by and through, or in concert with any of them, and each of them from actions, causes of action, obligations, costs, expenses, damages, losses, claims, suits, debts and demands arising out of unanticipated, and geographically impacts associated with the expected complete relocation of Delta Airlines from the end of Concourse A (as a result of Delta Airlines' merger with an Airlines) and the consolidation of Alaska Airlines' operations onto Concourse North Satellite that will substantially reduce the use of Concourse D. Noth Amendment shall, however, be construed in any way as an admission of or wrongdoing whatsoever by any of the parties hereto.

It seems spot-on.

Take care
Alan M. Gluck
Associate Director

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