

**RESPONSES TO
PAT HARTIG MEMORANDUM
OF
JANUARY 3, 2006**

1. • "That Maroun shall not be responsible for any real estate or other taxes;"

The Port Facility is exempt from real property taxes.

2. • "That it waives any claim for breach of fiduciary duty or other cause of action;"

The waiver of claims of breach of fiduciary duty is limited to situations where other property is brought under the Master Concession Agreement. The bringing in of additional property is subject to the prior approval of the Port Authority.

3. • "That Maroun has no liability for any breach of environmental laws;"

The Master Concessionaire is not a hands-on operator of the Facility. The Facility is operated by another entity, which bears the primary responsibility for compliance with environmental laws.

4. • "That it can only gain entry to the property with notice and permission of Maroun;"

The above statement is not accurate. The Port Authority's access to the property is not subject to the approval of the Master Concessionaire. What has been agreed upon is that the Port Authority will give the Master Concessionaire notice when the Port Authority wishes to enter the Facility. In addition, under the Agreement, the Port Authority shall maintain an office at the Facility, and the Port Authority has keys to the Facility.

5. • "That any money Maroun uses will be added to the principal of the loan;"

No private funds of the Master Concessionaire can be added to the principal of the Promissory Note without the permission of the Port Authority.

6. • "That Maroun can add his own real estate as Expansion property and it will be tax exempt."

No additional property may be added to the Facility without the permission of the Port Authority.

7. • "That Maroun is not liable for any injuries or damages to anyone;"

This is a standard waiver of subrogation intended to provide that each party will look first to its own insurance before suing another party, and it does not limit the Port Authority's right to proceed against the Master Concessionaire.

8. • "That Maroun can transfer his interest to anyone;"

The above statement is not accurate. The Master Concession Agreement provides that the Master Concessionaire shall not assign or transfer its rights under the Master Concession Agreement without the Port Authority's written consent.

9. • "That in event of default by Maroun, Authority has limited rights;"

In the event of a default, the Port Authority has the right to sue for damages and to seek equitable remedies, including injunctive relief and specific performance.

10. • "That in the event of default by Authority, Maroun get [sic] the property and the deal reverts to city of Detroit;"

The above statement is not accurate. In the event of a default by the Port Authority, the Remainder Agreement with the City provides that the City can take possession of the premises.

11. • "That any other deal in Wayne County that may come under control of the Port Authority will be part of this deal;"

The above statement is not accurate. Only other port facilities or intermodal rail and truck loading facilities located in Wayne County can become subject to the Master Concession Agreement.

12. • "That Maroun can collect past accounts receivables, but is not liable for past debts;"

The above statement is not accurate. The Master Concession Agreement provides that past accounts receivables become part of Gross Receipts, a portion of which the Port Authority is entitled to receive. The Master Concession Agreement does not state that Maroun "is not liable for past debts."

13. • "That if there is a dispute Maroun can get a court injunction but the Authority cannot without going to dispute resolution first.

This is an accurate summary of a portion of the dispute resolution procedure in the Master Concession Agreement.

14. • HB 5029 provides expanded powers beyond port operations allowing economic development projects anywhere in Wayne County while exempting it from the Open Meetings Act and FOIA.

HB 5029 updates Public Act 639 by allowing the Port Authority to engage itself in projects that aren't solely tied to port operations on the waterfront. The Authority is never exempt from the Open Meeting Act or FOIA. Financial and proprietary information submitted by a private entity that is in connection with a project or real estate transaction is not a matter of public record while negotiating the terms of the transaction. Once a public action is required and/or the private entity commits in writing to the project, all information becomes public record and subject to the Acts.

15. • HB 5029 gives the DWCPA a set of broad authorized purposes.

HB 5029 allows the Port Authority to engage in projects subject to all required approvals by the State, County and City.

16. • Meetings of the DWCPA Board of Directors are exempt from the Open Meetings Act.

All meetings of the Board of Directors are publicly noticed and held in accordance with the Open Meetings Act. HB 5029 does not change that.