

6/5/99

Comments on contact specimens from the Fairmont Hotel San Jose.

General comments:

Web sites: www.fairmont.com (hotel), has facility plans
www.sanjose.org: convention and visitors bureau
www.sjcc.com: convention services. (could not raise civic auditorium plans)

We need to decide who signs there and in whose name, WNGGA or WASNC?

What components of the weekend are going to be held in the hotel and what in the civic auditorium? This is important. For example, the public space of the contract indicates table set up pull down in foyer. This will be no good for the marketplace and so it will have to be moved into one of the secure rooms, reducing the number available for other activities. Unless the ballrooms can be split into smaller units (but soundproofing)

There are three documents.

1. A facility use fee of \$500 to San Jose department of convention, effectively for a license hold the Gymanfa in San Jose. This is payable when they approve the letter of agreement between us and the Hotel. (us means WNGGA and /or WASNC). This letter has already expired so a new one will be needed. We cannot sign one anyway until the board has approved the location which may occur in Minneapolis.
2. The letter of agreement between us and San Jose convention center, is basically a charge for \$3,000 as a user fee for the civic auditorium. (\$3000 is their standard charge for 2 days with move in and out). Is 20,000 square feet, the size of the auditorium (I could not raise this web page)?
3. Hotel Contract. Standard in many ways and negotiable for many points. However, the Fairmont is the only suitable hotel in town so there is no competitive bidding possible.

The following are my comments, not necessarily criticisms, but certainly issues we should think about.

Room rates: Lowest \$99, plus max 5% per year (plus 10% tax), ergo probably \$120 per night. Is this too high? Especially for Canadian visitors. I am apprehensive about the 5% clause. I would prefer to know the rate now if at all possible. The rooms are very good (picture on the web) and the hotel is high class, but will we have people staying in nearby hotels if they are cheaper? (there is no shortage of accommodation in this part of the world).

Reservations: can we not have a close date (July 30 2001). Rather simply after this date may be no rooms, but if there are the rate stays the same.

Room block review: clearly we have to be realistic and work with the hotel on room numbers. Is it WNGGA or WASNC or the weekend budget that is responsible?

Public space: Food minimum of \$40,000 (excl. charges) must be used. This number should not increase by the 5%. On the basic assumptions of 750 people attending the banquet (if generous at the most 1,000), at a meal cost of \$30 (perhaps higher in CA, and if so would this deter attendees?), gives between \$22,500 and \$30,000 used. We will have to spend another \$10,000 on tea and other beverages. Is this too high?

Exhibits: Rental of tables is high. Vendors would be very unhappy. e.g. the big vendors would want 6-8 tables, which comes to about \$200 per day, \$1,000 for the weekend. That coupled with the need to drive all the way across. I would contact these vendors and ask for a reality check.

Exhibitor's contract: clearly we will have to have one, approved by the hotel.

Attrition: Because of the implications, can we aim for a lower initial number in the contract and build as we go.

Cancellation policy: This is standard but even an early cancellation would be expensive.

Can we have a better idea of the San Jose group plans first. We should not sign anything or negotiate before the presentation, and then we issue the invitation. That issuing of the invitation will expressly determine the names that will go on the contract, it will be WNGGA or both.

A handwritten signature in cursive script, appearing to read "Alan".