



Board of Directors

Wednesday, August 27, 2008

8:00 a.m. – 9:30 a.m.

Kent County Commission Chambers
300 Monroe Avenue, NW – Grand Rapids, MI

A G E N D A

- | | |
|------------------------------------------------------------------------------------------------------------------------|-------------|
| I. Call to Order | |
| II. Approval of June 25, 2008, Minutes | Action |
| III. Committee Reports | |
| a. Operations Committee | |
| i. Operations Committee Report | |
| • Update on DeVos Place® Artwork Applications | Information |
| ii. CVB Report | Information |
| b. Finance Committee | |
| i. SMG June & July 2008 Financial Statements
DeVos Place® and Van Andel Arena® | Action |
| ii. CAA June & July 2008 Financial Statements | Action |
| iii. Renewal of D&O and Liability Insurance | Information |
| iv. Fiscal Year 2008 Audit Plan | Information |
| IV. Resolution to Approve Consent to Easement Grant
in Connection with 201 Monroe Avenue Easement Agreement | Action |
| V. Diversity Statement | Information |
| VI. SMG Report and Facilities Calendars | Information |
| VII. Public Comment | |
| VIII. Next Meeting Date: Wednesday, September 24, 2008 | |
| IX. Adjournment | |



Van Andel Arena®
130 Fulton West
Grand Rapids, MI 49503-2601
616.742.6600
Fax 616.742.6197

DEVOS PLACE

DeVos Place®
303 Monroe Ave. NW
Grand Rapids, MI 49503-2233
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**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS MEETING
Wednesday, June 25, 2008**

I. Call to Order

Birgit Klohs, Secretary/Treasurer, called the meeting to order at 8:05 a.m. Ms. Klohs presided, in the absence of Chair Heacock and Vice Chair Tomaselli, and Susan Waddell recorded the meeting minutes.

Attendance

Members Present: Lew Chamberlin
Clif Charles
George Heartwell
Birgit Klohs
Gary McInerney

Members Absent: Steve Heacock
Joseph Tomaselli

Staff/Others:	David Czurak	<i>Grand Rapids Business Journal</i>
	Jim Day	Kent County
	Daryl Delabbio	Kent County
	Brian Dykema	Interested Citizen
	Rich Glaser	Dickinson Wright
	Tim Gortsema	Grand Rapids Rampage
	George Helmstead	CVB
	Lynne Ike	SMG
	Kurt Kimball	City of Grand Rapids
	Rich MacKeigan	SMG
	Robert Mihos	Kent County
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids

II. Minutes of Prior Meeting

Motion: Mr. Heartwell, supported by Mr. Charles, moved to approve the Minutes of the May 28, 2008, meeting of the Grand Rapids-Kent County Convention/Arena Authority. The motion carried unanimously.

III. Committee Reports

a. Operations Committee

Mr. Chamberlin reported that the Committee has been discussing the possibility of installing art work at DeVos Place®. Mr. MacKeigan presented three options for potential art displays in the DeVos Place® skywalk:

1. A photo contest for iconic images of West Michigan that would be open to the public;
2. A multi-media art installation that would incorporate video in motion and a mural;

3. Straight bid process to a local artist.

The Committee focused on the first two options, since option 1 involves the community and option 2 is attractive and distinctive. Staff will develop a budget and present it to the Committee before any recommendation is made. Committee members will walk the space at its next meeting to see the proposed artwork locations.

Mr. Watt presented the proposed fiscal year 2009 capital budget request. The budget request totaled \$1.8 million, with \$360,000 of carryover projects. Mr. Mihos stated that he met with Mr. Watt several times to review the capital projects. Most of the Committee's discussion of capital focused on the concourse expansion project. Committee members walked the proposed construction area to conceptualize how the Arena lobby would be impacted. Committee members offered suggestions to preserve the aesthetics and scale of the lobby, such as installing a glass floor and angling the concourse so that it would open up to the lobby windows).

Mr. MacKeigan presented an update on the upcoming International Wine & Food Festival. The Committee approved a resolution to submit an application to the Michigan Liquor Control Commission for a special liquor license. The special license allows nonprofit organizations to obtain a one-day license to sell alcoholic beverages to the public. The license fee is \$25 for each separate, consecutive day of the event and an additional \$3.75 for Sunday sales.

Motion: Mr. Chamberlin, supported by Mr. McInerney, moved for approval to submit an application to the Michigan Liquor Control Commission for a special liquor license. The motion carried unanimously.

Mr. Helmstead presented a report on recent sales activities and major bid presentations. The CVB hosted the RCMA Board this past weekend, which was the first time the members visited Grand Rapids. The CVB is also working on bids for the Association of Fish and Wildlife, the Association of Partners for Public Land, and International Society of Glass Bead Makers conventions and will be traveling to Salt Lake City, Utah, to bid on the International Association of Assessing Officers.

b. Finance Committee.

i. SMG Financial Statements for DeVos Place® and Van Andel Arena®

Motion: Mr. Heartwell, supported by Mr. Charles, moved to approve the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended May 31, 2008. After review and discussion, the motion carried unanimously.

ii. CAA Financial Statements

Motion: Mr. Heartwell, supported by Mr. Charles, moved to approve the CAA Financial Statements for the period ended May 31, 2008. After review and discussion, the motion carried unanimously.

iii. Fiscal Year 2009 SMG Facility Operating Budgets

Mr. Machuta presented the proposed fiscal year 2009 operating budgets for DeVos Place® and the Van Andel Arena® last month and the information has not changed in the interim.

Motion: Mr. Heartwell, supported by Mr. Charles, moved to approve the DeVos Place® and Van Andel Arena® Operating Budgets for the Fiscal Year Ending June 30, 2009. The motion carried unanimously.

iv. Fiscal Year 2009 CAA Administrative Budget

Mr. White presented the proposed fiscal year 2009 administrative budget and consolidated income statement last month and the information has not changed in the interim.

Motion: Mr. Chamberlin, supported by Mr. Charles, moved to approve the Grand Rapids-Kent County Convention/Arena Authority Operating Budget and Consolidated Income Statement for the Fiscal Year Ending June 30, 2009. The motion carried unanimously.

v. Fiscal Year 2008 Budget Amendment

SMG forecasts Fiscal Year 2008 spending in excess of the previously authorized budget for the Van Andel Arena®. The current operating budget totals \$3,622,718, with an updated current-year expenditure of \$3,721,922. Because the CAA is a public entity, it must adopt a resolution authorizing an increase in the budget of the Van Andel Arena® to equal the spending estimate.

Motion: Ms. Klohs, supported by Mr. Charles, moved to approve an amendment to the Fiscal Year 2008 operating budget for the Van Andel Arena®, increasing the expenditure from \$3,622,718 to \$3,721,922. The motion carried unanimously.

vi. Investment Policy Recommendation

Ms. Klohs reported that the Finance Committee has had extensive dialogue about the CAA's investment policy and investments. The CAA currently invests in Kent County's pooled investment fund, and Chair Heacock requested the Finance Committee to review the investments and determine whether it could obtain a better return in different investment vehicles. Mr. White provided the Committee with a comparative analysis of the County's pooled investment rates with one-year U.S. Treasury obligations of the term of 42 months. The pooled investment account has returned an average interest rate of 4.14% versus the benchmark rate of 4.06%. Finance Committee members concurred there was no reason to change the investments at this time and will review the investments again in a year.

Motion: Ms. Klohs, supported by Mr. McInerney, moved to re-adopt the investment policy of the Grand Rapids-Kent County Convention/Arena Authority. The motion carried unanimously.

IV. DeVos Place® Five-Year Rate Sheets

Mr. MacKeigan requested approval of the five-year rate sheets, covering the period July 1, 2008-June 30, 2013. SMG has established a five-year rate card to provide potential clients a guarantee of rental rates in outlying years. The rate increases average 3-4% and reflects current comparisons for rental rates of comparable venues of similar size. The rate sheets have been reviewed by the CVB and hotel community. The first four years have been approved and SMG requests approval of the fifth year rates.

Motion: Mr. Heartwell, supported by Mr. McInerney, moved to re-adopt the DeVos Place® Five-Year Rental Rates, as requested. The motion carried unanimously.

V. DeVos Place Parking Facility – City Auto Parking Services Contract

The City and the CAA first entered into a "Parking Operation and Maintenance Agreement" for DeVos Place® in January 2004. That contract expired on June 30, 2005, and was renewed under the same general terms and conditions scheduled to now expire on June 30, 2008. The services provided under the existing agreement included staffing of the parking booths (operations), security (roving security

personnel who provide both security and customer assistance), and routine maintenance including striping, wash-down, cleaning, and sweeping (facilities maintenance). The proposed new contract retains the services of the City-Auto Parking System for operations and security. The facilities maintenance requirements would be provided by SMG. This recommendation is being made in order to eliminate a significant overlap in maintenance responsibilities between SMG and Auto Parking System personnel. In addition, the Authority would significantly reduce its cost exposure.

The Fiscal Year 2008 budget, previously approved, provided a budgetary allowance of \$365,243 for services provided under the existing Auto Parking System – Operating and Maintenance Agreement. The proposed Fiscal Year 2009 budget, originally submitted by Auto Parking System, totaled \$332,199. After removal of the facilities maintenance portion of the original budget submittal, the revised budget request totals \$281,495. The budgetary request submitted by SMG for facilities maintenance totals \$25,000, including a one-time expense of \$8,000 for extension of water service lines into the facility. This represents a savings of approximately \$25,000 from the budgetary forecast submitted by the City-Auto Parking System.

Motion: Mr. Chamberlin, supported by Mr. Charles, moved to approve the DeVos Place® Parking Operation Agreement, as presented. The motion carried unanimously.

VI. 201 Monroe, NW Easement Update

Mr. MacKeigan reported there were no significant updates and he is waiting for appraisal documentation.

VII. SMG Report and Facilities Calendar

Mr. MacKeigan presented a summary of the upcoming events that will be held at DeVos Place® and the Van Andel Arena®.

VIII. Public Comment

None.

IX. Next Meeting Date

The date for next CAA Board meeting is Wednesday, August 27, 2008. The July meeting is canceled.

X. Adjournment

There being no other business, the meeting adjourned at 8:35 a.m.

Susan M. Waddell, Recording Secretary

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2008

DRAFT – UNAUDITED

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Bob McClintock
Lewis Dawley
Gary McAneney
Howard Feldman
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED JUNE 30, 2008**

The following schedule summarizes operating results for the current month ending June 30, 2008 and the YTD ending June 30, 2008, compared to budget and to the prior year:

MONTH	June Actual	June Budget	June FY 2007
Number of Events	32	23	27
Attendance	18,406	25,875	26,782
Direct Event Income	\$77,108	\$94,971	\$79,700
Ancillary Income	86,007	35,532	155,243
Other Income	7,609	19,087	26,053
Indirect Expenses	(467,203)	(372,753)	(474,870)
Net Income	(\$296,479)	(\$223,163)	(\$213,873)

YTD	YTD 2008 Actual	YTD 2008 Budget	YTD 2007 Prior Year
Number of Events	595	647	656
Attendance	6,484,478	723,350	659,621
Direct Event Income	\$2,601,365	\$2,541,693	\$2,459,874
Ancillary Income	2,135,821	2,060,755	2,160,615
Other Income	173,846	229,000	239,559
Indirect Expenses	(5,374,839)	(5,353,726)	(5,410,796)
Net Income	(\$463,807)	(\$522,278)	(\$550,748)

EVENT INCOME

Event income came in lower than budget for the month as the facility hosted more smaller events than was anticipated.

ANCILLARY INCOME

Ancillary income came in higher than budget for the month. While the facility hosted smaller events that led to lower rental income, it was offset by ancillary spending.

INDIRECT EXPENSES

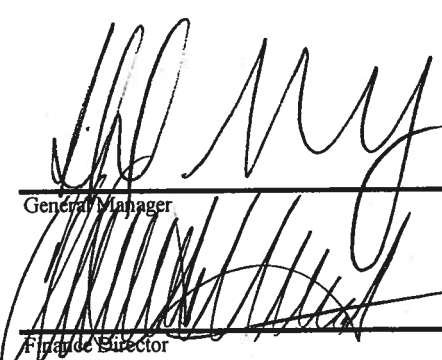
Indirect expenses came in at expected levels for the month, and fiscal year.

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2008

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	595		595	647	(52)
ATTENDANCE	648,478		648,478	723,350	(74,872)
DIRECT EVENT REVENUE	2,601,365		2,601,365	2,541,693	59,672
ANCILLARY REVENUE	2,135,821		2,135,821	2,060,745	75,076
TOTAL EVENT REVENUE	4,737,186	-	4,737,186	4,602,438	134,748
TOTAL OTHER REVENUE	173,846		173,846	229,000	(55,154)
TOTAL OPERATING REVENUE	4,911,032	-	4,911,032	4,831,438	79,594
INDIRECT EXPENSES					
EXECUTIVE	139,321		139,321	166,596	27,275
FINANCE	211,709		211,709	208,548	(3,161)
MARKETING	63,740		63,740	104,657	40,917
OPERATIONS	1,435,572		1,435,572	1,385,380	(50,192)
EVENT SERVICES	1,010,588		1,010,588	944,447	(66,141)
BOX OFFICE	70,756		70,756	77,626	6,870
SALES	210,053		210,053	248,723	38,670
OVERHEAD	2,233,099		2,233,099	2,217,749	(15,350)
TOTAL OPERATING EXP.	5,374,838	-	5,374,838	5,353,726	(21,112)
NET REVENUE ABOVE EXPENSES	(463,806)	-	(463,806)	(522,288)	58,482
INCENTIVE FEE		153,300	153,300	153,300	-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(463,806)	(153,300)	(617,106)	(675,588)	58,482

Comments:

DeVos concludes another successful fiscal year by not only beating budgeted expectations, but lowering the overall deficit as compared to last fiscal year. Each year that DeVos Place has been open the bottomline has shown improvement, a trend we look to continue into FY 2009.


General Manager


Finance Director

DE VOS PLACE
FACILITY STATEMENT OF INCOME
PERIOD ENDING 06/30/08

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	93,651	104,975	154,878	2,793,624	2,735,875	2,677,937
SERVICES INCOME	<16,543>	<10,004>	<75,178>	<192,258>	<194,182>	<218,064>
	-----	-----	-----	-----	-----	-----
TOTAL DIRECT EVENT INCOME	77,108	94,971	79,700	2,601,365	2,541,693	2,459,874
ANCILLARY INCOME						

FOOD & BEVERAGE	54,053	26,217	92,696	845,482	797,253	851,347
NOVELTY	0	425	4,329	13,866	13,571	20,292
ELECTRICAL	4,480	664	7,653	468,555	406,161	427,162
OTHER ANCILLARY	27,474	8,226	50,565	807,918	843,770	861,813
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TOTAL ANCILLARY INCOME	86,007	35,532	155,243	2,135,821	2,060,755	2,160,615
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TOTAL EVENT INCOME	163,115	130,503	234,943	4,737,186	4,602,448	4,620,488
OTHER OPERATING INCOME	7,609	19,087	26,053	173,846	229,000	239,559
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ADJUSTED GROSS INCOME	170,724	149,590	260,996	4,911,032	4,831,448	4,860,047
INDIRECT EXPENSES						
EXECUTIVE	8,528	13,872	11,677	139,321	166,596	136,116
FINANCE	18,766	17,379	17,446	211,709	208,548	218,358
MARKETING	9,506	8,715	5,961	63,740	104,657	70,392
OPERATIONS	181,132	109,283	197,449	1,435,572	1,385,380	1,488,961
EVENT MANAGEMENT	98,687	78,453	83,962	1,010,588	944,447	943,260
BOX OFFICE	5,589	6,467	2,471	70,756	77,626	83,221
SALES	22,575	20,715	19,836	210,053	248,723	218,858
OVERHEAD	122,422	117,869	136,068	2,233,099	2,217,749	2,251,631
	-----	-----	-----	-----	-----	-----
INDIRECT EXPENSES	467,203	372,753	474,870	5,374,839	5,353,726	5,410,796
	-----	-----	-----	-----	-----	-----
NET OPERATING INCOME	<296,479>	<223,163>	<213,873>	<463,806>	<522,278>	<550,749>
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	100,546	0	0	100,546
	-----	-----	-----	-----	-----	-----
OTHER EXPENSES	0	0	100,546	0	0	100,546
	-----	-----	-----	-----	-----	-----
NET INCOME (LOSS)	<296,479>	<223,163>	<314,419>	<463,806>	<522,278>	<651,295>
	=====	=====	=====	=====	=====	=====

DE VOS PLACE
STATEMENT OF SERVICES INCOME
PERIOD ENDING 06/30/08

	CURRENT-----			YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	880	0	550	18,625	0	48,855
Changeover Setup Billed	4,005	0	6,730	18,794	0	14,468
Stagehands Billed	26,262	20,563	70,578	1,258,254	1,099,787	1,184,296
Security Billed	4,851	1,364	8,359	200,458	182,390	192,169
Ushers & Tix Takers Billed	779	3,400	5,434	152,178	136,810	149,803
Box Office Billed	0	500	500	17,000	20,300	17,350
Ticketing Service Billed	1,036	3,400	16,923	146,107	175,450	169,731
Utilities Billed	347	0	34	6,313	0	3,675
City Police Fire Billed	<220>	0	1,495	32,645	13,225	49,626
Traffic Control Billed	140	0	0	1,120	200	0
EMT Medical Billed	750	625	1,450	33,843	35,100	45,324
Cleaning Billed	0	0	0	13,925	0	15,027
Insurance Billed	455	0	482	4,706	0	6,120
Group Sales Commissions Billed	0	0	110	1,291	0	1,529
Telephone Billed	300	150	300	40,925	32,610	45,740
Damages Billed	0	0	0	5,043	0	12,029
Other Production Billed	3,038	0	3,166	73,637	0	73,931
TOTAL SERVICE INCOME	42,623	30,002	116,111	2,024,863	1,695,872	2,029,672
Advertising Expense	880	0	11,569	19,401	0	57,624
Sponsorship Expenses	0	0	5,500	7,000	0	8,000
Stagehand Wages	24,544	19,225	120,550	1,177,962	1,048,590	1,165,568
Contracted Security Expense	11,035	1,488	14,243	321,791	253,913	289,769
Ushers & T/T Wages	545	2,380	3,804	102,666	92,914	104,862
Contracted Ushers & T/T Expense	0	0	524	0	0	524
Ticket Sellers Wages	90	1,450	696	20,865	51,650	21,719
Ticket Service Charge Expense	100	1,190	7,241	35,534	58,302	48,592
City Police Fire Expense	60	0	1,177	24,773	0	42,964
EMT Medical Expense	794	625	1,740	30,240	33,350	40,678
Cleaning Wages	0	0	0	7,172	0	5,070
Cleaning P/R Taxes Bene	0	0	0	677	0	0
Contracted Cleaning Expense	16,565	13,648	18,997	361,375	351,335	360,790
Insurance Expense	740	0	416	5,278	0	5,388
Group Sales Commissions	0	0	0	0	0	207
Allocated Telephone Expense	75	0	113	10,194	0	11,473
Equipment Rental Expense	0	0	0	1,025	0	0
Damage Expense	0	0	0	3,793	0	6,696
Production Expense	3,738	0	4,720	87,378	0	77,812
TOTAL SERVICE EXPENSE	59,165	40,006	191,289	2,217,122	1,890,054	2,247,736
NET SERVICE INCOME	<16,543>	<10,004>	<75,178>	<192,258>	<194,182>	<218,064>

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For Month Ended June 30, 2008

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	169	153	187,005	193,800	2,108,043	2,007,744
Consumer/Gated Shows	58	64	195,902	227,300	1,014,020	998,016
Devos Performance Hall	145	154	174,726	189,550	770,145	705,450
Ballroom Exclusive	56	80	35,080	54,100	417,479	518,454
Other	167	196	55,765	58,600	427,499	372,784
GRAND TOTALS	595	647	648,478	723,350	4,737,186	4,602,448

As Percentage of Overall

Convention/Trade Shows	28.40%	23.65%	28.84%	26.79%	44.50%	43.62%
Consumer/Gated Shows	9.75%	9.89%	30.21%	31.42%	21.41%	21.68%
Devos Performance Hall	24.37%	23.80%	26.94%	26.20%	16.26%	15.33%
Ballroom Exclusive	9.41%	12.36%	5.41%	7.48%	8.81%	11.26%
Other	28.07%	30.29%	8.60%	8.10%	9.02%	8.10%

DE VOS PLACE
STATEMENT OF FINANCIAL POSITION
PERIOD ENDING 06/30/08

ASSETS

CURRENT ASSETS

CASH	630,122
ACCOUNTS RECEIVABLE	509,293
PREPAID EXPENSES	85,390

TOTAL CURRENT ASSETS	1,224,804
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FIXED ASSETS

TOTAL ASSETS	1,224,804
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LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	95,771
ACCRUED EXPENSES	384,989
DEFERRED INCOME	72,032
ADVANCED TIX SALES & DEPOSITS	389,236

TOTAL CURRENT LIABILITIES	942,029
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EQUITY

FUNDS REMITTED	<1,150,000>
FUNDING RECEIVED	1,512,579
RETAINED EARNINGS	383,953
NET INCOME (LOSS)	<463,756>

TOTAL EQUITY	282,775
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TOTAL LIABILITIES & EQUITY	1,224,804
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**SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
For Month Ended June 30, 2008**

Current - Under 30 Days	
Food & Beverage	51,177
Ticketing	3,119
Decorating	385
Audio/Visual	17,068
Operating	257,913
 Over 30 Days	 111,583
 Over 60 Days	 52,914
 Over 90 Days	
Donnell Productions	5,736
Paragon Leather	2,110
Saigon Entertainment	5,002
Grinder Promotions	2,286
 Total Accounts Receivable	 509,293

CURRENT			YTD		
ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
77,611	75,070	75,326	857,936	900,829	855,429
8,803	13,163	15,285	172,544	158,000	165,604
91,053	121,026	133,424	1,582,322	1,452,279	1,542,179
0	0	80	330	0	931
2,071	2,269	2,121	24,500	27,250	25,450
150	0	150	1,800	0	1,800
47,633	52,444	44,799	743,511	629,592	675,962
<44,873>	<113,138>	<104,481>	<1,554,318>	<1,357,513>	<1,490,522>
182,448	150,834	166,704	1,828,624	1,810,437	1,776,833
22,604	21,000	22,633	295,428	252,000	276,905
2,403	0	1,753	40,622	0	35,168
215	200	190	2,431	2,400	2,386
2,143	1,201	2,500	18,705	14,500	16,431
0	413	914	1,077	5,000	914
1,193	1,962	509	15,814	32,000	16,775
410	300	0	7,103	3,600	5,815
1,241	837	0	5,074	10,000	10,140
82	0	0	182	0	264
3,247	6,250	10,082	60,340	75,000	67,285
2,250	3,038	2,250	27,187	36,500	30,891
5,192	6,800	2,768	41,748	81,600	40,460
0	0	<134>	392	0	<227>
0	0	0	0	0	14
2,049	2,500	1,068	33,617	30,000	33,740
1,320	1,000	2,648	16,890	12,000	18,540
1,062	837	1,062	8,493	10,000	11,522
22,220	1,000	814	50,363	56,440	52,226
1,250	0	27,600	6,500	24,000	42,800
0	0	0	0	0	150
58,177	39,788	106,465	580,676	477,500	526,023
39,625	24,587	5,958	230,982	295,000	280,159
1,982	1,500	1,569	23,439	18,000	20,019
16,280	22,192	20,725	273,889	266,249	269,576
50	0	0	2,215	0	3,489
149	413	0	1,722	5,000	6,370
1,757	750	703	15,176	9,000	18,232
533	413	1,531	4,314	5,000	4,888
2,022	1,500	2,027	27,661	18,000	24,915
96	0	0	7,258	0	0
6,844	6,000	7,614	90,520	72,000	90,741
75,598	66,500	72,528	1,512,579	1,601,200	1,588,827
12,838	12,775	12,500	154,050	153,300	150,000
<75>	<1,837>	<113>	<10,231>	<22,000>	<11,473>
284,756	221,919	308,166	3,546,215	3,543,289	3,633,964
467,203	372,753	474,870	5,374,839	5,353,726	5,410,796

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2008**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2007 Actual
Net Revenue above Expenses	1,623,832	(463,806)	1,160,026	1,238,267
Benchmark			700,000	700,000
Excess	1,623,832	(463,806)	460,026	538,267

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	153,300	153,300	306,600	300,000
Incentive Fee				
Revenue	5,559,434	4,911,032	10,470,466	10,411,774
Benchmark Revenue	4,650,000	4,050,000	8,700,000	8,600,000
Revenue Excess	909,434	861,032	1,770,466	1,811,774
Incentive Fee **	153,300	153,300	306,600	300,000
Total SMG Management Fee	306,600	306,600	613,200	600,000

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.



VAN ANDEL ARENA

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2008**

*****DRAFT – UNAUDITED*****

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Bob McClintock
Lewis Dawley
Gary McAneney
Howard Feldman
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2008

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	118		118	116	2
ATTENDANCE	664,317		664,317	666,500	(2,183)
DIRECT EVENT INCOME	1,590,799		1,590,799	1,149,287	441,512
ANCILLARY INCOME	1,435,974		1,435,974	1,541,746	(105,772)
TOTAL EVENT INCOME	3,026,773	-	3,026,773	2,691,033	335,740
TOTAL OTHER INCOME	2,532,661		2,532,661	2,395,000	137,661
TOTAL INCOME	5,559,434	-	5,559,434	5,086,033	473,401
INDIRECT EXPENSES					
EXECUTIVE	254,137		254,137	146,498	(107,639)
FINANCE	198,940		198,940	204,274	5,334
MARKETING	275,980		275,980	282,151	6,171
OPERATIONS	1,478,376		1,478,376	1,487,583	9,207
BOX OFFICE	141,439		141,439	119,613	(21,826)
LUXURY SEATING	121,185		121,185	117,298	(3,887)
SKYWALK ADMIN	43,898		43,898	39,856	(4,042)
OVERHEAD	1,421,647		1,421,647	1,378,745	(42,902)
TOTAL INDIRECT EXP.	3,935,602	-	3,935,602	3,776,018	(159,584)
NET REVENUE ABOVE EXPENSES	1,623,832	-	1,623,832	1,310,015	313,817
LESS INCENTIVE FEE		153,300	153,300	153,300	-
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,623,832	(153,300)	1,470,532	1,156,715	313,817

Comments:

June concludes a successful fiscal year for the Arena. Concerts again remain the driving force for bottom line activity as 26 concerts were hosted during the fiscal year contributing almost \$300,000 additional event income than was budgeted.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED JUNE 30, 2008**

The following schedule summarizes operating results for the current month ending June 30, 2008 and the YTD ending June 30, 2008 compared to budget and to the prior year:

MONTH	June Actual	June Budget	June FY 2007
Number of Events	3	2	5
Attendance	15,576	16,000	25,463
Direct Event Income	\$81,944	\$523	\$40,101
Ancillary Income	1,270	4,328	67,204
Other Income	228,144	199,587	305,239
Indirect Expenses	(352,703)	(289,034)	(396,330)
Net Income	(\$41,345)	(\$84,596)	\$16,214

YTD	YTD 2008 Actual	YTD 2008 Budget	YTD 2007 Prior Year
Number of Events	118	115	130
Attendance	664,317	658,500	678,582
Direct Event Income	\$1,590,799	\$1,149,287	\$1,524,338
Ancillary Income	1,435,974	1,541,746	1,647,868
Other Income	2,532,661	2,395,000	2,506,635
Indirect Expenses	(3,935,601)	(3,776,018)	(3,925,769)
Net Income	\$1,623,832	\$1,310,015	\$1,753,072

EVENT INCOME

Event income came in ahead of budget for the month due to the success of the Van Halen concert that had been originally scheduled to play the facility in April.

ANCILLARY INCOME

Ancillary income came in consistent with budget overall. However, a trueup on the final commission due to the Griffins for their season offset the gain realized by the Van Halen concert.

INDIRECT EXPENSES

Indirect expenses came in consistent with forecast, and while exceeding budget overall for the fiscal year, was consistent with prior year totals.

VAN ANDEL ARENA
FACILITY STATEMENT OF INCOME
PERIOD ENDING 06/30/08

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						

DIRECT EVENT INCOME						
RENTAL INCOME	100,264	19,100	84,756	2,216,665	1,809,400	2,161,616
SERVICES INCOME	<18,320>	<18,577>	<44,655>	<625,866>	<660,113>	<637,278>
TOTAL DIRECT EVENT INCOME	81,944	523	40,101	1,590,799	1,149,287	1,524,338
ANCILLARY INCOME						

FOOD & BEVERAGE	<5,904>	2,700	47,079	1,205,323	1,259,329	1,376,760
NOVELTY	6,133	0	4,580	191,015	242,505	211,775
OTHER ANCILLARY	1,040	1,628	15,545	39,636	39,912	59,333
TOTAL ANCILLARY INCOME	1,270	4,328	67,204	1,435,974	1,541,746	1,647,868
TOTAL EVENT INCOME	83,214	4,851	107,305	3,026,773	2,691,033	3,172,207
OTHER OPERATING INCOME	228,144	199,587	305,239	2,532,661	2,395,000	2,506,635
ADJUSTED GROSS INCOME	311,358	204,438	412,544	5,559,434	5,086,033	5,678,842
INDIRECT EXPENSES						
EXECUTIVE	72,713	12,085	20,790	254,137	146,498	162,106
FINANCE	22,359	16,896	16,281	198,940	204,274	197,507
MARKETING	30,682	23,383	21,866	275,980	282,151	293,285
LUXURY SEATING	7,020	9,773	6,129	121,185	117,298	111,610
OPERATIONS	126,668	123,729	185,422	1,478,376	1,487,583	1,526,436
BOX OFFICE	12,012	9,965	12,619	141,439	119,613	141,956
SKYWALK ADMINISTRATION	2,459	3,314	3,304	43,898	39,856	45,543
OVERHEAD	78,789	89,889	129,919	1,421,647	1,378,745	1,447,327
INDIRECT EXPENSES	352,703	289,034	396,330	3,935,601	3,776,018	3,925,769
NET OPERATING INCOME	<41,345>	<84,596>	16,214	1,623,832	1,310,015	1,753,073
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	199,454	0	0	199,454
OTHER EXPENSES	0	0	199,454	0	0	199,454
NET INCOME (LOSS)	<41,345>	<84,596>	<183,240>	1,623,832	1,310,015	1,553,619
=====	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA
STATEMENT OF SERVICES INCOME
PERIOD ENDING 06/30/08

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	9,983	0	1,212	281,685	108,000	510,842
Sponsorship Income	0	0	0	0	0	121,593
Labor Billed	750	0	2,650	22,559	13,540	26,792
Changeover Setup Billed	10,328	1,000	18,611	183,535	88,400	146,325
Stagehands Billed	24,208	1,000	65,412	721,323	415,350	537,690
Security Billed	7,406	300	14,762	165,274	131,000	172,229
Ushers & Tix Takers Billed	5,146	700	9,177	127,094	101,830	126,056
Box Office Billed	0	0	0	1,548	8,116	7,832
Ticketing Service Billed	4,783	0	1,110	105,554	197,200	90,854
Utilities Billed	<850>	0	2,025	14,330	0	12,275
City Police Fire Billed	1,050	672	1,225	18,437	10,972	14,630
EMT Medical Billed	1,363	0	1,475	23,210	19,100	23,509
Cleaning Billed	4,843	0	11,442	134,055	84,300	132,019
Group Sales Commissions Billed	0	0	1,317	17,733	0	16,967
Telephone Billed	620	0	1,150	22,425	23,850	25,335
Damages Billed	0	0	0	400	0	1,079
Other Production Billed	12,386	0	39,094	258,988	153,400	278,088
TOTAL SERVICE INCOME	82,014	3,672	170,661	2,098,150	1,355,058	2,244,113
Advertising Expense	11,366	0	6,345	302,799	118,000	574,477
Sponsorship Expenses	0	0	0	0	0	1,653
Labor Wages	638	0	1,615	19,770	11,511	22,136
Contracted Changeover Setup Expense	9,757	6,000	31,637	261,530	242,777	253,104
Stagehand Wages	23,039	977	74,485	750,360	439,256	563,226
Contracted Security Expense	12,899	2,600	17,736	318,495	244,790	320,721
Contracted Ushers & T/T Expense	8,276	5,800	12,581	273,519	263,270	297,916
Ticket Sellers Wages	0	0	0	1,316	0	6,841
Ticket Service Charge Expense	10,878	0	15,975	171,190	196,920	115,178
City Police Fire Expense	397	672	638	9,021	13,894	9,414
EMT Medical Expense	1,713	600	2,005	37,739	35,813	39,964
Contracted Cleaning Expense	7,353	5,600	9,606	251,431	281,686	235,610
Group Sales Commissions	1,738	0	0	6,621	0	7,951
Allocated Telephone Expense	186	0	345	6,667	6,554	7,301
Production Expense	12,094	0	42,350	313,557	160,700	425,900
TOTAL SERVICE EXPENSE	100,333	22,249	215,317	2,724,016	2,015,171	2,881,391
NET SERVICE INCOME	<18,320>	<18,577>	<44,655>	<625,866>	<660,113>	<637,278>
	=====	=====	=====	=====	=====	=====

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending June 30, 2008

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	28	33	108,326	146,500	460,653	596,819
Sporting Event	6	4	33,850	27,000	245,007	169,881
Concert	26	21	204,185	172,000	1,706,268	1,430,563
Team Home Games	49	48	255,577	264,000	452,249	435,712
Other	9	9	62,379	49,000	162,596	58,058
GRAND TOTALS	118	115	664,317	658,500	3,026,773	2,691,033

As Percentage of Overall

Family Show	23.73%	28.70%	16.31%	22.25%	15.22%	22.18%
Sporting Event	5.08%	3.48%	5.10%	4.10%	8.09%	6.31%
Concert	22.03%	18.26%	30.74%	26.12%	56.37%	53.16%
Team Home Games	41.53%	41.74%	38.47%	40.09%	14.94%	16.19%
Other	7.63%	7.83%	9.39%	7.44%	5.37%	2.16%
totals	125	118	589630	678400	2204611	2494767

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending June 30, 2008

ASSETS

CURRENT ASSETS:

CASH	3,687,461	
ACCOUNTS RECEIVABLE	343,295	
PREPAID EXPENSES	111,506	
TOTAL CURRENT ASSETS		4,142,261

INTANGIBLE ASSETS

CONTRACT RIGHTS	-	
TOTAL INTANGIBLE ASSETS		-

TOTAL ASSETS		<u>4,142,261</u>
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LIABILITY & EQUITY

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	835,709	
ACCRUED EXPENSES	456,022	
DEFERRED INCOME	517,423	
ADVANCED TICKET SALES	1,843,633	
TOTAL CURRENT LIAB.		3,652,787

FUND EQUITY

FUNDS REMITTED	(2,700,000)	
FUNDING RECEIVED FROM CAA	891,626	
CURRENT YEAR EARNINGS	1,620,284	
AMOUNT DUE CAA	677,565	
TOTAL FUND EQUITY		<u>489,475</u>

TOTAL LIAB & EQUITY		<u>4,142,261</u>
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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending June 30, 2008

Current - Under 30 Days	
Food & Beverage	59,054
Ticketing	85,025
Merchandise	4,524
Permanent Advertising	-
Operating	194,692
 Over 30 Days	 -
 Over 60 Days	 -
 Over 90 Days	
 Total Accounts Receivable	 343,295

VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
PERIOD ENDING 06/30/08

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	68,991	63,480	58,537	735,906	761,848	716,357
Part-Time	6,179	5,837	4,347	89,280	70,000	83,827
Wages-Trade	75,634	69,901	105,504	1,089,374	838,834	953,047
Sales Commissions Group Sales	0	0	444	4,207	0	12,714
Auto Allowance	594	990	594	7,125	11,825	7,125
Auto Expense	300	0	300	3,600	0	3,600
Taxes & Benefits	27,024	40,077	84,537	431,824	481,177	500,404
Less: Allocation/Reimbursement	<38,258>	<59,025>	<77,564>	<974,716>	<708,267>	<798,814>
TOTAL LABOR COSTS	140,464	121,260	176,698	1,386,599	1,455,417	1,478,260
Contracted Security	20,867	21,000	24,166	256,116	252,000	246,235
Contracted Cleaning	5,722	2,500	2,098	30,615	30,000	27,530
Other Contracted Services	13,899	300	315	53,171	3,600	20,533
Travel & Entertainment	1,810	862	2,580	23,013	10,300	16,943
Corporate Travel	0	625	0	571	7,500	0
Meetings & Conventions	1,193	350	509	7,284	11,700	4,037
Dues & Subscriptions	315	212	0	7,894	2,500	6,887
Employee Training	996	750	194	3,130	9,000	3,713
Miscellaneous Expense	0	0	0	300	0	269
Computer Expense	10,193	5,413	8,617	78,866	65,000	73,312
Professional Fees	62,759	2,587	7,610	120,780	31,000	41,992
Marketing & Advertising	12,966	12,087	9,382	130,489	145,000	153,970
Box Office Expenses	<837>	0	<9>	<385>	0	<1,124>
Trash Removal	1,771	1,500	314	22,570	18,000	22,638
Equipment Rental	1,045	1,250	2,235	16,353	15,000	19,430
Landscaping	345	487	345	2,760	5,800	4,311
Exterminating	248	300	248	2,970	3,600	2,925
Cleaning	0	900	0	7,825	10,800	4,900
Repairs & Maintenance	14,928	16,174	30,720	281,141	194,000	217,375
Supplies	9,844	17,012	8,071	196,914	204,100	195,892
Bad Debt Expense	0	0	23,000	0	0	23,000
Bank Service Charges	774	750	491	8,961	9,000	5,999
Insurance	3,442	15,038	23,490	165,287	180,445	201,615
Licenses & Fees	0	0	0	2,000	0	3,000
Printing & Stationary	154	913	23	1,818	11,000	5,626
Office Supplies	1,756	1,000	1,122	16,211	12,000	17,623
Postage	1,484	1,000	1,823	14,334	12,000	15,133
Parking Expense	2,680	2,000	2,605	31,966	24,000	30,411
Telephone Long Distance	4,973	7,000	5,001	62,666	84,000	60,757
Utilities	26,262	46,313	55,195	891,626	855,800	913,830
Base Fee	12,838	12,775	12,500	154,050	153,300	150,000
Letter of Credit Fee	0	0	0	394	0	0
Common Area Expense	0	<2,949>	<2,669>	<36,748>	<35,344>	<33,951>
Less: Allocated/Reimbursement	<186>	<375>	<345>	<6,518>	<4,500>	<7,301>
TOTAL MATERIAL AND SERVICES	212,239	167,774	219,632	2,548,425	2,320,601	2,447,510
TOTAL INDIRECT EXPENSES	352,703	289,034	396,330	3,935,024	3,776,018	3,925,769

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2008**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2007 Actual
Net Revenue above Expenses	1,623,832	(463,806)	1,160,026	1,238,267
Benchmark			700,000	700,000
Excess	1,623,832	(463,806)	460,026	538,267

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	153,300	153,300	306,600	300,000
Incentive Fee				
Revenue	5,559,434	4,911,032	10,470,466	10,411,774
Benchmark Revenue	4,650,000	4,050,000	8,700,000	8,600,000
Revenue Excess	909,434	861,032	1,770,466	1,811,774
Incentive Fee **	153,300	153,300	306,600	300,000
Total SMG Management Fee	306,600	306,600	613,200	600,000

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

DEVOS PLACE

DE VOS PLACE

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED JULY 31, 2008**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Bob McClintock
Lewis Dawley
Gary McAneney
Howard Feldman
Richard MacKeigan
Chris Machuta




An SMG Managed Facility

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2009

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	26	543	569	569	-
ATTENDANCE	9,625	659,350	668,975	668,975	-
DIRECT EVENT REVENUE	37,868	2,602,766	2,640,634	2,640,634	-
ANCILLARY REVENUE	33,315	2,353,017	2,386,332	2,386,332	-
TOTAL EVENT REVENUE	71,183	4,955,783	5,026,966	5,026,966	-
TOTAL OTHER REVENUE	12,922	197,578	210,500	210,500	-
TOTAL OPERATING REVENUE	84,105	5,153,361	5,237,466	5,237,466	-
INDIRECT EXPENSES					
EXECUTIVE	12,250	163,512	175,762	175,762	-
FINANCE	16,647	205,654	222,301	222,301	-
MARKETING	3,452	102,359	105,811	105,811	-
OPERATIONS	143,751	1,324,663	1,468,414	1,468,414	-
EVENT SERVICES	82,660	882,510	965,170	965,170	-
BOX OFFICE	6,186	71,440	77,626	77,626	-
SALES	22,201	324,825	347,026	347,026	-
OVERHEAD	118,343	2,135,989	2,254,332	2,254,332	-
TOTAL OPERATING EXP.	405,490	5,210,952	5,616,442	5,616,442	-
NET REVENUE ABOVE EXPENSES	(321,385)	(57,591)	(378,976)	(378,976)	-
INCENTIVE FEE		157,899	157,899	157,899	-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(321,385)	(215,490)	(536,875)	(536,875)	-

Comments:

DeVos Place started the new fiscal year a little slow as both Direct Event Income and Ancillary Income fell below expectations. Most of the shortfall came from no events being hosted in the Theater during the month and a Youth Festival that did not end up using the Convention Center.


General Manager


Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED JULY 31, 2008**

The following schedule summarizes operating results for the current month ending July 31, 2008 and the YTD ending June 30, 2009, compared to budget and to the prior year:

MONTH	July Actual	July Budget	July FY 2007
Number of Events	26	22	33
Attendance	9,625	19,600	14,521
Direct Event Income	\$37,868	\$69,988	\$46,929
Ancillary Income	33,315	82,699	39,050
Other Income	12,922	17,542	9,432
Indirect Expenses	(405,490)	(397,793)	(368,552)
Net Income	(\$321,385)	(\$227,564)	(\$273,141)

YTD	YTD 2009 Actual	YTD 2009 Budget	YTD 2008 Prior Year
Number of Events	26	22	33
Attendance	9,625	19,600	14,521
Direct Event Income	\$37,868	\$69,988	\$46,929
Ancillary Income	33,315	82,699	39,050
Other Income	12,922	17,542	9,432
Indirect Expenses	(405,490)	(397,793)	(368,552)
Net Income	(\$321,385)	(\$227,564)	(\$273,141)

EVENT INCOME

Direct Event income fell below expectations as no events were hosted in the theater and a Youth Festival that was previously thought to have been firm ended up not taking place.

ANCILLARY INCOME

Ancillary income fell below expectations as spending on Food & Beverage and Audio/Visual fell below expectations. We are also taking internet in house, leading to some start up costs that also led to lower than expected numbers overall for ancillary income.

INDIRECT EXPENSES

Indirect expenses came in at expected levels for the month.

DeVos Place
Income Statement
For the Month Ending July 31, 2008

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$50,556	\$0	\$50,556	\$58,313	\$50,556	\$0	\$50,556	\$58,313
Service Revenue	29,760	0	29,760	29,583	29,760	0	29,760	29,583
Service Expenses	(42,448)	0	(42,448)	(40,967)	(42,448)	0	(42,448)	(40,967)
Total Direct Event Income	37,868	0	37,868	46,929	37,868	0	37,868	46,929
Ancillary Income								
F&B Concession	3,997	0	3,997	1,394	3,997	0	3,997	1,394
F&B Catering	16,731	0	16,731	15,602	16,731	0	16,731	15,602
Booth Cleaning	3,000	0	3,000	6,367	3,000	0	3,000	6,367
Electrical Services	6,208	0	6,208	4,279	6,208	0	6,208	4,279
Audio Visual	2,703	0	2,703	5,973	2,703	0	2,703	5,973
Internet Services	(4,489)	0	(4,489)	1,100	(4,489)	0	(4,489)	1,100
Equipment Rental	5,165	0	5,165	4,335	5,165	0	5,165	4,335
Total Ancillary Income	33,315	0	33,315	39,050	33,315	0	33,315	39,050
Other Event Income								
Ticket Rebates(Per Event)	9,885	0	9,885	4,032	9,885	0	9,885	4,032
Total Other Event Income	9,885	0	9,885	4,032	9,885	0	9,885	4,032
Total Event Income	81,068	0	81,068	90,011	81,068	0	81,068	90,011
Other Operating Income								
Luxury Box Agreements	2,600	0	2,600	3,012	2,600	0	2,600	3,012
Other Income	437	0	437	2,388	437	0	437	2,388
Total Other Operating Income	3,037	0	3,037	5,400	3,037	0	3,037	5,400
Adjusted Gross Income	84,105	0	84,105	95,411	84,105	0	84,105	95,411
Operating Expenses								
Salaries and Wages	152,798	0	152,798	128,988	152,798	0	152,798	128,988
Payroll Taxes and Benefits	36,076	0	36,076	32,954	36,076	0	36,076	32,954
Labor Allocations to Events	(40,779)	0	(40,779)	(34,079)	(40,779)	0	(40,779)	(34,079)
Net Salaries and Benefits	148,095	0	148,095	127,863	148,095	0	148,095	127,863
Contracted Services	31,402	0	31,402	24,835	31,402	0	31,402	24,835
General and Administrative	19,612	0	19,612	28,169	19,612	0	19,612	28,169
Operations	3,446	0	3,446	2,703	3,446	0	3,446	2,703
Repair and Maintenance	43,548	0	43,548	59,618	43,548	0	43,548	59,618
Operational Supplies	49,654	0	49,654	13,227	49,654	0	49,654	13,227
Insurance	11,192	0	11,192	14,257	11,192	0	11,192	14,257
Utilities	85,318	0	85,318	85,380	85,318	0	85,318	85,380
SMG Management Fees	13,223	0	13,223	12,500	13,223	0	13,223	12,500
Total Operating Expenses	405,490	0	405,490	368,552	405,490	0	405,490	368,552
Net Income(Loss) From Operations	(321,385)	0	(321,385)	(273,141)	(321,385)	0	(321,385)	(273,141)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(321,385)	0	(321,385)	(273,141)	(321,385)	0	(321,385)	(273,141)

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For Month Ended July 31, 2008

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	7	7	4,000	3,900	17,847	25,877
Consumer/Gated Shows	2	3	2,000	2,100	17,958	21,593
Devos Performance Hall	-	2	-	2,600	-	18,164
Ballroom Exclusive	1	2	250	1,000	1,540	10,995
Other	16	8	3,375	29,200	33,838	76,058
GRAND TOTALS	26	22	9,625	38,800	71,183	152,687

As Percentage of Overall

Convention/Trade Shows	26.92%	31.82%	41.56%	10.05%	25.07%	16.95%
Consumer/Gated Shows	7.69%	13.64%	20.78%	5.41%	25.23%	14.14%
Devos Performance Hall	0.00%	9.09%	0.00%	6.70%	0.00%	11.90%
Ballroom Exclusive	3.85%	9.09%	2.60%	2.58%	2.16%	7.20%
Other	61.54%	36.36%	35.06%	75.26%	47.54%	49.81%

**DeVos Place
Balance Sheet
For the Month Ending July 31, 2008**

ASSETS

Current Assets	
Cash	729,359
Account Receivable	546,125
Prepaid Expenses	76,300

Total Current Assets	1,351,784
Total Assets	1,351,784

LIABILITIES AND EQUITY

Current Liabilities	
Accounts Payable	146,866
Accrued Expenses	415,598
Deferred Income	69,432
Advanced Ticket Sales & Deposits	680,402

Total Current Liabilities	1,312,298
Other Liabilities	
Equity	
CY Exp. Paid Directly by City	78,093
Retained Earnings	282,778
Current Year Equity	(321,385)

Total Equity	39,486
Total Liabilities and Equity	1,351,784

**SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
For Month Ended July 31, 2008**

Current - Under 30 Days	
Food & Beverage	71,905
Ticketing	32,281
Decorating	3,000
Audio/Visual	4,123
Operating	267,091
 Over 30 Days	 87,207
 Over 60 Days	 65,384
 Over 90 Days	
Donnell Productions	5,736
Paragon Leather	2,110
Saigon Entertainment	5,002
Grinder Promotions	2,286
 Total Accounts Receivable	 546,125

DeVos Place
Indirect Expenses Detail
For the Month Ending July 31, 2008
Total Company Indirect Expenses

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
SALARIES AND WAGES								
Salaries Administration	\$70,071		\$70,071		\$70,071		\$70,071	
Changeover Labor - Wages	9,293		9,293		9,293		9,293	
Laborers - Wages	3,541		3,541		3,541		3,541	
Decorator Labor - Wages	11,910		11,910		11,910		11,910	
Booth Cleaning - Wages	22,934		22,934		22,934		22,934	
Stagehands - Wages	28,668		28,668		28,668		28,668	
Box Office/Ticket Sellers-PT	1,521		1,521		1,521		1,521	
Ushers & Ticket Takers-PT	2,066		2,066		2,066		2,066	
Commission	574		574		574		574	
Auto Allowance	2,221		2,221		2,221		2,221	
Total Salaries and Wages	152,799	0	152,799	0	152,799	0	152,799	0
PAYROLL TAXES AND EMPLOYEE BENEFITS								
Payroll Taxes	11,299		11,299		11,299		11,299	
Benefits	17,566		17,566		17,566		17,566	
401 (k)	3,701		3,701		3,701		3,701	
Union Expenses	3,511		3,511		3,511		3,511	
Total Payroll Taxes and Employee Benefits	36,077	0	36,077	0	36,077	0	36,077	0
LABOR ALLOCATED TO EVENTS								
Allocated Administrative-Event	(19,440)		(19,440)		(19,440)		(19,440)	
Allocated Stagehands-Event	(16,013)		(16,013)		(16,013)		(16,013)	
Allocd Ushers&Tckt Tkrs-Evt	(215)		(215)		(215)		(215)	
Allocated Utilities	(226)		(226)		(226)		(226)	
Total Labor Allocated to Events	(35,894)	0	(35,894)	0	(35,894)	0	(35,894)	0
NET SALARIES AND BENEFITS	152,982	0	152,982	0	152,982	0	152,982	0

DeVos Place
Indirect Expenses Detail
For the Month Ending July 31, 2008
Total Company Indirect Expenses

CONTRACTED SERVICES								
Contracted Security	22,797		22,797		22,797		22,797	
Contracted Cleaning	8,381		8,381		8,381		8,381	
Contracted Armor Car Service	224		224		224		224	
Total Contracted Services	31,402	0	31,402	0	31,402	0	31,402	0
GENERAL AND ADMINISTRATIVE EXPENSES								
Annual Audit Fees	2,250		2,250		2,250		2,250	
Professional Fees - Other	230		230		230		230	
Bank Service Charges	1,632		1,632		1,632		1,632	
Meals & Entertainment	388		388		388		388	
Meetings & Conventions	5,602		5,602		5,602		5,602	
Dues & Subscriptions	2,312		2,312		2,312		2,312	
Postage	254		254		254		254	
Office Supplies	122		122		122		122	
Printing & Stationary	647		647		647		647	
Parking Expense	2,014		2,014		2,014		2,014	
Advertising - Sales & Mktg	1,655		1,655		1,655		1,655	
Licenses & Fees	240		240		240		240	
Over & Short	(7)		(7)		(7)		(7)	
Computer Expense	2,272		2,272		2,272		2,272	
Total General and Administrative Expenses	19,611	0	19,611	0	19,611	0	19,611	0
OPERATIONS EXPENSES								
Trash Removal	1,116		1,116		1,116		1,116	
Landscaping	1,062		1,062		1,062		1,062	
Equipment Rental	1,268		1,268		1,268		1,268	
Total Operations Expenses	3,446	0	3,446	0	3,446	0	3,446	0
REPAIRS AND MAINTENANCE								
Gen. Building Repairs & Maint.	10,251		10,251		10,251		10,251	
Machinery & Equipment	108		108		108		108	
Maintenance Agreements	33,189		33,189		33,189		33,189	
Total Repairs and Maintenance	43,548	0	43,548	0	43,548	0	43,548	0
OPERATIONAL SUPPLIES								
General Building Supplies	42,097		42,097		42,097		42,097	
Bulbs & Lamps	3,154		3,154		3,154		3,154	
Theatrical	1,833		1,833		1,833		1,833	
Fuel Propane	97		97		97		97	
Small Tools	780		780		780		780	
First Aid	542		542		542		542	
Paint	434		434		434		434	
Janitorial	236		236		236		236	
Uniforms	104		104		104		104	
Signage	377		377		377		377	
Total Operational Supplies	49,654	0	49,654	0	49,654	0	49,654	0
INSURANCE								
General Liability Insurance	1,665		1,665		1,665		1,665	
Property Insurance	9,526		9,526		9,526		9,526	
Total Insurance	11,191	0	11,191	0	11,191	0	11,191	0
UTILITIES								
Electricity	70,000		70,000		70,000		70,000	
PACT - Steam Heat	593		593		593		593	
Telephone	7,226		7,226		7,226		7,226	
Water & Sewage	7,500		7,500		7,500		7,500	
Total Utilities	85,319	0	85,319	0	85,319	0	85,319	0
SMG MANAGEMENT FEE								
Base Fee	13,223		13,223		13,223		13,223	
Total SMG Management Fee	13,223	0	13,223	0	13,223	0	13,223	0
Total Department Expenses	410,376	0	410,376	0	410,376	0	410,376	0

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2009**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2008 Actual
Net Revenue above Expenses	1,413,711	(378,977)	1,034,734	1,160,026
Benchmark			700,000	700,000
Excess	1,413,711	(378,977)	334,734	460,026

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	157,899	157,899	315,798	306,600
Incentive Fee				
Revenue	5,327,210	5,237,438	10,564,648	10,470,466
Benchmark Revenue	4,700,000	4,100,000	8,800,000	8,700,000
Revenue Excess	627,210	1,137,438	1,764,648	1,770,466
Incentive Fee **	153,300	153,300	315,798	306,600
Total SMG Management Fee	311,199	311,199	631,596	613,200

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.



VAN ANDEL ARENA

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED JULY 31, 2008**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Bob McClintock

Lewis Dawley

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



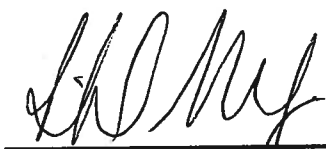
An SMG Managed Facility

VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2009

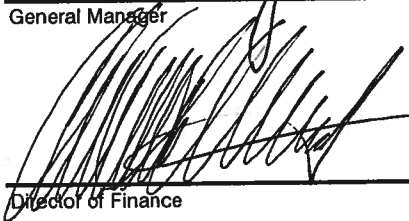
	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	1	117	118	118	-
ATTENDANCE	6,954	659,046	666,000	666,000	-
DIRECT EVENT INCOME	20,772	1,258,419	1,279,191	1,279,191	-
ANCILLARY INCOME	24,678	1,573,341	1,598,019	1,598,019	-
TOTAL EVENT INCOME	45,450	2,831,760	2,877,210	2,877,210	-
TOTAL OTHER INCOME	152,845	2,297,155	2,450,000	2,450,000	-
TOTAL INCOME	198,295	5,128,915	5,327,210	5,327,210	-
INDIRECT EXPENSES					
EXECUTIVE	16,376	155,122	171,498	171,498	-
FINANCE	15,777	196,784	212,561	212,561	-
MARKETING	15,498	260,460	275,958	275,958	-
OPERATIONS	136,814	1,436,487	1,573,301	1,573,301	-
BOX OFFICE	7,821	112,556	120,377	120,377	-
LUXURY SEATING	5,583	111,715	117,298	117,298	-
SKYWALK ADMIN	4,255	35,601	39,856	39,856	-
OVERHEAD	84,142	1,318,508	1,402,650	1,402,650	-
TOTAL INDIRECT EXP.	286,266	3,627,233	3,913,499	3,913,499	-
NET REVENUE ABOVE EXPENSES	(87,971)	1,501,682	1,413,711	1,413,711	-
LESS INCENTIVE FEE			157,899		(157,899)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	(87,971)	1,501,682	1,255,812	1,413,711	(157,899)

Comments:

Van Andel Arena started the fiscal year a little slow with only one concert being hosted during the month. The first quarter of the fiscal year should end up consistent with both budget and last years performance as August and September activity will pick up.



General Manager



Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED JULY 31 ,2008**

The following schedule summarizes operating results for the current month ending July 31, 2008 and the YTD ending June 30, 2009 compared to budget and to the prior year:

MONTH	July Actual	July Budget	July FY 2007
Number of Events	1	1	4
Attendance	6,954	8,000	31,753
Direct Event Income	\$20,772	\$36,468	\$118,924
Ancillary Income	24,678	33,658	124,702
Other Income	152,845	204,167	208,717
Indirect Expenses	(232,261)	(298,250)	(252,238)
Net Income	(\$33,965)	(\$23,957)	\$200,105

YTD	YTD 2009 Actual	YTD 2009 Budget	YTD 2008 Prior Year
Number of Events	1	1	4
Attendance	6,954	8,000	31,753
Direct Event Income	\$20,772	\$36,468	\$118,924
Ancillary Income	24,678	33,658	124,702
Other Income	152,845	204,167	208,717
Indirect Expenses	(232,261)	(298,250)	(252,238)
Net Income	(\$33,967)	(\$23,957)	\$200,105

EVENT INCOME

Direct event income fell short of budget as sales for the Foo Fighters concert fell below expectations.

ANCILLARY INCOME

Ancillary income fell below expectations during the month. Per Caps for Foo Fighters on both Concessions and Merchandise exceeded their last visit, however, with the lower than expected attendance led to the shortfall on revenue overall.

INDIRECT EXPENSES

Indirect expenses came in ahead of budget for the month.

Van Andel Arena
Income Statement
For the Month Ending July 31, 2008

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$13,405	\$0	\$13,405	\$170,528	(\$18,260)	\$0	(\$18,260)	\$170,528
Service Revenue	50,138	0	50,138	303,576	50,138	0	50,138	303,576
Service Expenses	(42,771)	0	(42,771)	(292,648)	(42,771)	0	(42,771)	(292,648)
Total Direct Event Income	20,772	0	20,772	181,456	(10,893)	0	(10,893)	181,456
Ancillary Income								
F&B Concession	19,606	0	19,606	91,184	19,606	0	19,606	91,184
F&B Catering	1,638	0	1,638	7,964	1,638	0	1,638	7,964
Novelty Sales	3,435	0	3,435	25,554	3,435	0	3,435	25,554
Total Ancillary Income	24,679	0	24,679	124,702	24,679	0	24,679	124,702
Total Event Income	45,451	0	45,451	306,158	13,786	0	13,786	306,158
Other Operating Income								
Luxury Box Agreements	93,325	0	93,325	91,241	93,325	0	93,325	91,241
Advertising	52,500	0	52,500	45,000	52,500	0	52,500	45,000
Other Income	7,020	0	7,020	9,942	7,020	0	7,020	9,942
Total Other Operating Income	152,845	0	152,845	146,183	152,845	0	152,845	146,183
Adjusted Gross Income	198,296	0	198,296	452,341	166,631	0	166,631	452,341
Operating Expenses								
Salaries and Wages	117,429	0	117,429	176,215	117,429	0	117,429	176,215
Payroll Taxes and Benefits	26,018	0	26,018	42,615	26,018	0	26,018	42,615
Labor Allocations to Events	(32,428)	0	(32,428)	(130,450)	(32,428)	0	(32,428)	(130,450)
Net Salaries and Benefits	111,019	0	111,019	88,380	111,019	0	111,019	88,380
Contracted Services	35,834	0	35,834	25,809	35,834	0	35,834	25,809
General and Administrative	20,199	0	20,199	20,030	20,199	0	20,199	20,030
Operations	5,524	0	5,524	2,910	5,524	0	5,524	2,910
Repair and Maintenance	16,577	0	16,577	22,422	16,577	0	16,577	22,422
Operational Supplies	22,357	0	22,357	24,329	22,357	0	22,357	24,329
Insurance	3,855	0	3,855	9,199	3,855	0	3,855	9,199
Utilities	57,679	0	57,679	46,082	57,679	0	57,679	46,082
SMG Management Fees	13,223	0	13,223	12,500	13,223	0	13,223	12,500
Total Operating Expenses	286,267	0	286,267	251,661	286,267	0	286,267	251,661
Net Income(Loss) From Operations	(87,971)	0	(87,971)	200,680	(119,636)	0	(119,636)	200,680

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending July 31, 2008

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show						
Sporting Event						
Concert	1	1	6,954	8,000	45,451	70,126
Team Home Games						
Other						
GRAND TOTALS	1	1	6,954	8,000	45,451	70,126
As Percentage of Overall						
Family Show	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sporting Event	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Concert	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Team Home Games	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending July 31, 2008

ASSETS

CURRENT ASSETS:

CASH	3,214,075	
ACCOUNTS RECEIVABLE	1,222,247	
PREPAID EXPENSES	99,309	
TOTAL CURRENT ASSETS		4,535,630

INTANGIBLE ASSETS

CONTRACT RIGHTS	-	
TOTAL INTANGIBLE ASSETS		-

TOTAL ASSETS		<u>4,535,630</u>
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LIABILITY & EQUITY

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	66,128	
ACCRUED EXPENSES	468,611	
DEFERRED INCOME	1,837,253	
ADVANCED TICKET SALES	1,887,625	
TOTAL CURRENT LIAB.		4,259,617

FUND EQUITY

FUNDS REMITTED	(100,000)	
FUNDING RECEIVED FROM CAA	54,006	
CURRENT YEAR EARNINGS	(87,971)	
AMOUNT DUE CAA	409,979	
TOTAL FUND EQUITY		<u>276,014</u>

TOTAL LIAB & EQUITY		<u>4,535,630</u>
---------------------	--	------------------

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
Month Ending July 31, 2008

Current - Under 30 Days	
Food & Beverage	90,036
Ticketing	212,867
Merchandise	3,215
Permanent Advertising	-
Operating	879,839
 Over 30 Days	 22,840
 Over 60 Days	 13,450
 Over 90 Days	
 Total Accounts Receivable	 1,222,247

Van Andel Arena
Indirect Expenses Detail
For the Month Ending July 31, 2008
Total Company Indirect Expenses

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
SALARIES AND WAGES								
Salaries Administration	\$58,870	\$8,188	\$50,682		\$58,870	\$8,188	\$50,682	
Administrative: Event	871		871		871		871	
Changeover Labor - Wages	14,507		14,507		14,507		14,507	
Laborers - Wages	1,943		1,943		1,943		1,943	
Decorator Labor - Wages	4,904		4,904		4,904		4,904	
On Call General - Part-Time	18,542		18,542		18,542		18,542	
Booth Cleaning - Wages	13,055		13,055		13,055		13,055	
Box Office/Ticket Sellers-PT	2,572		2,572		2,572		2,572	
Commission	1,271		1,271		1,271		1,271	
Auto Allowance	894	210	684		894	210	684	
Total Salaries and Wages	117,429	8,398	109,031	0	117,429	8,398	109,031	0
PAYROLL TAXES AND EMPLOYEE BENEFITS								
Payroll Taxes	7,459	890	6,569		7,459	890	6,569	
Benefits	15,642	941	14,701		15,642	941	14,701	
401 (k)	2,916	313	2,603		2,916	313	2,603	
Total Payroll Taxes and Employee Benefits	26,017	2,144	23,873	0	26,017	2,144	23,873	0
LABOR ALLOCATED TO EVENTS								
Allocated Administrative-Event	(14,661)		(14,661)		(14,661)		(14,661)	
Allocated Stagehands-Event	(12,082)		(12,082)		(12,082)		(12,082)	
Alloc'd BO/ Tckt Sellers-Event	(1,850)		(1,850)		(1,850)		(1,850)	
Allocated Utilities	(150)		(150)		(150)		(150)	
Total Labor Allocated to Events	(28,743)	0	(28,743)	0	(28,743)	0	(28,743)	0
NET SALARIES AND BENEFIT	114,703	10,542	104,161	0	114,703	10,542	104,161	0
CONTRACTED SERVICES								
Contracted Security	24,339		24,339		24,339		24,339	
Contracted Cleaning	11,123		11,123		11,123		11,123	
Contracted Armor Car Service	372		372		372		372	
Total Contracted Services	35,834	0	35,834	0	35,834	0	35,834	0
GENERAL AND ADMINISTRATIVE EXPENSES								
Annual Audit Fees	2,250		2,250		2,250		2,250	
Professional Fees - Other	2,427	2,917	(490)		2,427	2,917	(490)	
Bank Service Charges	532		532		532		532	
Meals & Entertainment	931	500	431		931	500	431	
Meetings & Conventions	3,155		3,155		3,155		3,155	
Dues & Subscriptions	392	208	184		392	208	184	
Postage	392		392		392		392	
Office Supplies	222		222		222		222	
Printing & Stationary	239		239		239		239	
Parking Expense	2,680		2,680		2,680		2,680	
Advertising - Sales & Mktg	204		204		204		204	
Licenses & Fees	275		275		275		275	
Over & Short	(525)		(525)		(525)		(525)	
Computer Expense	7,022		7,022		7,022		7,022	
Employee Training	5		5		5		5	
Total General and Administrative Expenses	20,201	3,625	16,576	0	20,201	3,625	16,576	0

Van Andel Arena
Indirect Expenses Detail
For the Month Ending July 31, 2008
Total Company Indirect Expenses

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
OPERATIONS EXPENSES								
Trash Removal	579		579		579		579	
Landscaping	345		345		345		345	
Exterminating	248		248		248		248	
Equipment Rental	4,353		4,353		4,353		4,353	
Total Operations Expenses	5,525	0	5,525	0	5,525	0	5,525	0
REPAIRS AND MAINTENANCE								
Gen. Building Repairs & Maint.	5,165		5,165		5,165		5,165	
Machinery & Equipment	418		418		418		418	
Maintenance Agreements	9,198		9,198		9,198		9,198	
Luxury Seating	1,796		1,796		1,796		1,796	
Total Repairs and Maintenance	16,577	0	16,577	0	16,577	0	16,577	0
OPERATIONAL SUPPLIES								
General Building Supplies	1,656		1,656		1,656		1,656	
Bulbs & Lamps	271		271		271		271	
Fuel Propane	304		304		304		304	
Small Tools	221		221		221		221	
First Aid	409		409		409		409	
HVAC	14,927		14,927		14,927		14,927	
Janitorial	4,568		4,568		4,568		4,568	
Total Operational Supplies	22,356	0	22,356	0	22,356	0	22,356	0
INSURANCE								
Auto Insurance	247		247		247		247	
General Liability Insurance	1,108		1,108		1,108		1,108	
Property Insurance	2,499		2,499		2,499		2,499	
Total Insurance	3,854	0	3,854	0	3,854	0	3,854	0
UTILITIES								
Electricity	36,237		36,237		36,237		36,237	
PACT - Steam Heat	13,581		13,581		13,581		13,581	
Telephone	4,828		4,828		4,828		4,828	
Water & Sewage	3,032		3,032		3,032		3,032	
Total Utilities	57,678	0	57,678	0	57,678	0	57,678	0
SMG MANAGEMENT FEE								
Base Fee	13,223		13,223		13,223		13,223	
Total SMG Management Fee	13,223	0	13,223	0	13,223	0	13,223	0
Total Department Expenses	289,951	14,167	275,784	0	289,951	14,167	275,784	0

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2009**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2008 Actual
Net Revenue above Expenses	1,413,711	(378,977)	1,034,734	1,160,026
Benchmark			700,000	700,000
Excess	1,413,711	(378,977)	334,734	460,026

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	157,899	157,899	315,798	306,600
Incentive Fee				
Revenue	5,327,210	5,237,438	10,564,648	10,470,466
Benchmark Revenue	4,700,000	4,100,000	8,800,000	8,700,000
Revenue Excess	627,210	1,137,438	1,764,648	1,770,466
Incentive Fee **	153,300	153,300	315,798	306,600
Total SMG Management Fee	311,199	311,199	631,596	613,200

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.



Memorandum

To: CAA Board Members

From: Susan Waddell, Administrative Manager

Date: August 2008

Re: CAA June Financial Statements

The following is a summary of financial activity in the two operating accounts as of June 30, 2008:

	<i>1050: Operations</i>	<i>1070: Kent County Operating</i>
Beginning Balance	\$505,240.86	\$21,716,133.91
Cleared Transactions	<u>39,238.63</u>	<u>72,350.99</u>
Cleared Balance	544,569.49	21,788,484.90
Uncleared Transactions	<u>-9,261.16</u>	<u>0.00</u>
Ending Balance	<u>\$535,308.33</u>	<u>\$21,788,484.90</u>

- Interest earnings continue to exceed budgeted expectations.
- The land lease line item is under budget due to timing of the payments.
- The personal services line item is under budget because the expense reimbursement from the Kent County Parks Foundation for administrative services is not considered.

If you have any questions or would like additional information, please contact me at 742-6594 or swaddell@smggr.com. Thank you.



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Grand Rapids-Kent County Convention/Arena Authority

07/28/08

Balance Sheet

Accrual Basis

As of June 30, 2008

	<u>Jun 30, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
1040 · Cash - Operations - SMG	4,068,974.10
1050 · Operations - Cash	535,308.33
Total Checking/Savings	<u>4,604,282.43</u>
Other Current Assets	
1070 · Kent County - Operating	21,788,484.90
1200 · Accounts Receivable	1,424,324.17
1300 · Prepaid Expenses	161,220.35
1600 · Advances/Deposits Receivable	-3,850,000.07
Total Other Current Assets	<u>19,524,029.35</u>
Total Current Assets	<u>24,128,311.78</u>
Fixed Assets	
Buildings & Structures	280,652.31
Equip	379,940.52
Vehicles	43,914.30
Total Fixed Assets	<u>704,507.13</u>
TOTAL ASSETS	<u>24,832,818.91</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	55,873.45
2005 · Accounts payable - SMG	598,094.17
Total Accounts Payable	<u>653,967.62</u>
Other Current Liabilities	
2200 · Accrued Expenses	803,918.61
2210 · Advance Ticket Sales	1,993,226.73
2220 · Advance deposits	291,205.00
2500 · Deferred facility income	906,555.74
2700 · Entertainment Equipment Reserve	80,000.00
Total Other Current Liabilities	<u>4,074,906.08</u>
Total Current Liabilities	<u>4,728,873.70</u>
Total Liabilities	<u>4,728,873.70</u>
Equity	
3000 · Opening Bal Equity	37,035,584.45
3900 · Retained Earnings	-14,931,143.70
Net Income	-2,000,495.54
Total Equity	<u>20,103,945.21</u>
TOTAL LIABILITIES & EQUITY	<u>24,832,818.91</u>

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07/28/08

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority

Profit & Loss Budget vs. Actual

July 2007 through June 2008

	Jul '07 - Jun 08	Budget	\$ Over Budget	% of Budget
Income				
4500 · Interest on Investments	907,159.21	1,000,000.00	-92,840.79	90.7%
4540 · Land Lease	81,007.00	126,408.00	-45,401.00	64.1%
4545 · Parking Revenues	890,062.00	862,912.00	27,150.00	103.1%
4550 · Miscellaneous Revenue	730.50			
Total Income	1,878,958.71	1,989,320.00	-110,361.29	94.5%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	30,523.98	30,000.00	523.98	101.7%
6040 · Legal Services	13,989.30	35,000.00	-21,010.70	40.0%
Total 6000 · Professional Services	44,513.28	65,000.00	-20,486.72	68.5%
6060 · Other Contractual Services	102,642.07	159,500.00	-56,857.93	64.4%
6065 · Pedestrian Safety	92,306.32	90,000.00	2,306.32	102.6%
6068 · Parking Management	304,877.43	365,243.00	-60,365.57	83.5%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	499.09			
6020 · Computer Services	634.90			
6030 · Insurance-Property/Liability	20,258.00	21,000.00	-742.00	96.5%
6110 · Meeting Expense	422.24	10,000.00	-9,577.76	4.2%
6120 · Supplies	188.34	5,000.00	-4,811.66	3.8%
Total 6100 · Other Supplies & Expenses	22,002.57	36,000.00	-13,997.43	61.1%
6160 · Facility Repair and Maintenance	4,219.20			
6200 · Capital Replacement Projects	516,593.17	689,000.00	-172,406.83	75.0%
6210 · F&B Repair & Maintenance	27,850.37	35,000.00	-7,149.63	79.6%
6300 · Utilities Expense				
6301 · Electricity	1,165,458.06	1,232,000.00	-66,541.94	94.6%
6310 · Natural Gas	12,940.87	18,000.00	-5,059.13	71.9%
6320 · Steam	1,035,116.55	1,094,500.00	-59,383.45	94.6%
6340 · Water & Sewer	118,738.41	112,500.00	6,238.41	105.5%
Total 6300 · Utilities Expense	2,332,253.89	2,457,000.00	-124,746.11	94.9%
6500 · DID Assessment	51,350.58	51,071.00	279.58	100.5%
6600 · SMG Incentive Fees	300,000.00	306,600.00	-6,600.00	97.8%
8000 · Personal Services				
8001 · Employee Wages	60,755.60	85,567.00	-24,811.40	71.0%
8030 · Employee Benefits	20,089.77	19,515.00	574.77	102.9%
Total 8000 · Personal Services	80,845.37	105,082.00	-24,236.63	76.9%
Total Expense	3,879,454.25	4,359,496.00	-480,041.75	89.0%
Net Income	-2,000,495.54	-2,370,176.00	369,680.46	84.4%

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07/28/08

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss Prev Year Comparison
July 2007 through June 2008

	Jul '07 - Jun 08	Jul '06 - Jun 07	\$ Change	% Change
Income				
4040 · Private Support	0.00	0.00	0.00	0.0%
4500 · Interest on Investments	907,159.21	1,220,784.47	-313,625.26	-25.7%
4530 · Facility Operations	0.00	9,598,651.00	-9,598,651.00	-100.0%
4540 · Land Lease	81,007.00	123,871.00	-42,864.00	-34.6%
4545 · Parking Revenues	890,062.00	900,255.74	-10,193.74	-1.1%
4550 · Miscellaneous Revenue	730.50	789,311.00	-788,580.50	-99.9%
Total Income	1,878,958.71	12,632,873.21	-10,753,914.50	-85.1%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	30,523.98	27,730.03	2,793.95	10.1%
6040 · Legal Services	13,989.30	24,241.64	-10,252.34	-42.3%
Total 6000 · Professional Services	44,513.28	51,971.67	-7,458.39	-14.4%
6060 · Other Contractual Services	102,642.07	2,093,513.30	-1,990,871.23	-95.1%
6065 · Pedestrian Safety	92,306.32	83,781.05	8,525.27	10.2%
6068 · Parking Management	304,877.43	348,896.36	-44,018.93	-12.6%
6070 · Facility Management Fees	0.00	370,736.00	-370,736.00	-100.0%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	499.09	464.05	35.04	7.6%
6020 · Computer Services	634.90	299.00	335.90	112.3%
6030 · Insurance-Property/Liability	20,258.00	19,196.86	1,061.14	5.5%
6110 · Meeting Expense	422.24	294.42	127.82	43.4%
6120 · Supplies	188.34	481,645.89	-481,457.55	-100.0%
6140 · Printing and Binding	0.00	4,470.00	-4,470.00	-100.0%
Total 6100 · Other Supplies & Expenses	22,002.57	506,370.22	-484,367.65	-95.7%
6125 · Transfer to Construction Acct	0.00	1,140,783.30	-1,140,783.30	-100.0%
6160 · Facility Repair and Maintenance	4,219.20	743,546.00	-739,326.80	-99.4%
6200 · Capital Replacement Projects	516,593.17	364,311.43	152,281.74	41.8%
6210 · F&B Repair & Maintenance	27,850.37	52,993.18	-25,142.81	-47.5%
6300 · Utilities Expense				
6301 · Electricity	1,165,458.06	1,257,055.53	-91,597.47	-7.3%
6310 · Natural Gas	12,940.87	11,787.66	1,153.21	9.8%
6320 · Steam	1,035,116.55	1,125,209.23	-90,092.68	-8.0%
6340 · Water & Sewer	118,738.41	109,547.01	9,191.40	8.4%
Total 6300 · Utilities Expense	2,332,253.89	2,503,599.43	-171,345.54	-6.8%
6500 · DID Assessment	51,350.58	50,298.90	1,051.68	2.1%
6570 · Depreciation Expense	0.00	151,521.64	-151,521.64	-100.0%
6600 · SMG Incentive Fees	300,000.00	229,259.00	70,741.00	30.9%
8000 · Personal Services				
8001 · Employee Wages	60,755.60	3,324,742.22	-3,263,986.62	-98.2%
8030 · Employee Benefits	20,089.77	21,527.41	-1,437.64	-6.7%
Total 8000 · Personal Services	80,845.37	3,346,269.63	-3,265,424.26	-97.6%
Total Expense	3,879,454.25	12,037,851.11	-8,158,396.86	-67.8%
Net Income	-2,000,495.54	595,022.10	-2,595,517.64	-436.2%



Memorandum

To: CAA Board Members

From: Susan Waddell, Administrative Manager

Date: August 2008

Re: CAA July Financial Statements

The following is a summary of financial activity in the two operating accounts as of July 31, 2008:

	<i>1050: Operations</i>	<i>1070: Kent County Operating</i>
Beginning Balance	\$544,569.49	\$21,716,133.91
Cleared Transactions	<u>-6,069.02</u>	<u>72,350.99</u>
Cleared Balance	550,638.51	21,788,484.90
Uncleared Transactions	<u>-6,170.70</u>	<u>0.00</u>
Ending Balance	<u>\$544,467.81</u>	<u>\$21,788,484.90</u>

- The summary for the Kent County Operating account remains unchanged inasmuch as the monthly fund ledger has not been received, and, likewise, the interest on investments line item is affected.
- Land lease is over budget due to receipt of March-June, 2008 and fiscal year 2006 reconciliation payments.
- Parking revenues are under budget due to timing of payments.
- Pedestrian safety is under budget because no invoices have been received.
- Parking management is under budget due to timing of invoices.
- The actual amount for employee wages will exceed the budget amount because the line item has been credited \$25,000 for the Kent County Parks Foundation reimbursement.

If you have any questions or would like additional information, please contact me at 742-6594 or swaddell@smggr.com. Thank you.



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08/13/08

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Balance Sheet
As of July 31, 2008

Item III.b.ii.

	Jul 31, 08
ASSETS	
Current Assets	
Checking/Savings	
1040 · Cash - Operations - SMG	4,068,974.10
1050 · Operations - Cash	544,467.81
Total Checking/Savings	4,613,441.91
Other Current Assets	
1070 · Kent County - Operating	21,788,484.90
1200 · Accounts Receivable	1,424,324.17
1300 · Prepaid Expenses	161,220.35
1600 · Advances/Deposits Receivable	-3,950,000.07
Total Other Current Assets	19,424,029.35
Total Current Assets	24,037,471.26
Fixed Assets	
Buildings & Structures	
Depreciation	-41,778.69
Original Cost	322,431.00
Total Buildings & Structures	280,652.31
Equip	
Depreciation	-589,296.08
Original Cost	969,236.60
Total Equip	379,940.52
Vehicles	43,914.30
Total Fixed Assets	704,507.13
TOTAL ASSETS	24,741,978.39
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	99,734.92
2005 · Accounts payable - SMG	598,094.17
Total Accounts Payable	697,829.09
Other Current Liabilities	
2200 · Accrued Expenses	803,918.61
2210 · Advance Ticket Sales	1,993,226.73
2220 · Advance deposits	291,205.00
2500 · Deferred facility income	906,555.74
2700 · Entertainment Equipment Reserve	80,000.00
Total Other Current Liabilities	4,074,906.08
Total Current Liabilities	4,772,735.17
Total Liabilities	4,772,735.17
Equity	
3000 · Opening Bal Equity	37,035,584.45
3900 · Retained Earnings	-16,934,027.89
Net Income	-132,313.34
Total Equity	19,969,243.22
TOTAL LIABILITIES & EQUITY	24,741,978.39

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08/13/08

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority
Profit & Loss Budget vs. Actual
July 2008

	Jul 08	Budget	\$ Over Budget	% of Budget
Income				
4500 · Interest on Investments	379.66	61,833.00	-61,453.34	0.6%
4540 · Land Lease	42,354.00	11,768.00	30,586.00	359.9%
4545 · Parking Revenues	11,319.50	77,350.00	-66,030.50	14.6%
4550 · Miscellaneous Revenue	220.00			
Total Income	54,273.16	150,951.00	-96,677.84	36.0%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	1,135.56	3,166.00	-2,030.44	35.9%
6040 · Legal Services	678.55	2,916.00	-2,237.45	23.3%
Total 6000 · Professional Services	1,814.11	6,082.00	-4,267.89	29.8%
6060 · Other Contractual Services	26,695.33	24,083.00	2,612.33	110.8%
6065 · Pedestrian Safety	0.00	7,269.00	-7,269.00	0.0%
6068 · Parking Management	0.00	23,457.00	-23,457.00	0.0%
6100 · Other Supplies & Expenses				
6110 · Meeting Expense	0.00	833.00	-833.00	0.0%
6120 · Supplies	0.00	416.00	-416.00	0.0%
Total 6100 · Other Supplies & Expenses	0.00	1,249.00	-1,249.00	0.0%
6160 · Facility Repair and Maintenance	0.00	9,416.00	-9,416.00	0.0%
6200 · Capital Replacement Projects	50,714.10	153,675.00	-102,960.90	33.0%
6210 · F&B Repair & Maintenance	0.00	3,750.00	-3,750.00	0.0%
6300 · Utilities Expense				
6301 · Electricity	74,985.80	41,782.00	33,203.80	179.5%
6310 · Natural Gas	309.19	1,011.00	-701.81	30.6%
6320 · Steam	14,738.36	19,021.00	-4,282.64	77.5%
6340 · Water & Sewer	9,390.65	9,375.00	15.65	100.2%
Total 6300 · Utilities Expense	99,424.00	71,189.00	28,235.00	139.7%
8000 · Personal Services				
8001 · Employee Wages	6,728.53	3,383.00	3,345.53	198.9%
8030 · Employee Benefits	1,210.43	1,705.00	-494.57	71.0%
Total 8000 · Personal Services	7,938.96	5,088.00	2,850.96	156.0%
Total Expense	186,586.50	305,258.00	-118,671.50	61.1%
Net Income	-132,313.34	-154,307.00	21,993.66	85.7%

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08/13/08

Accrual Basis

Grand Rapids-Kent County Convention/Arena Authority

Profit & Loss Prev Year Comparison

July 2008

	Jul 08	Jul 07	\$ Change	% Change
Income				
4500 · Interest on Investments	379.66	1,089.54	-709.88	-65.2%
4540 · Land Lease	42,354.00	4,922.00	37,432.00	760.5%
4545 · Parking Revenues	11,319.50	10,203.50	1,116.00	10.9%
4550 · Miscellaneous Revenue	220.00	0.00	220.00	100.0%
Total Income	54,273.16	16,215.04	38,058.12	234.7%
Expense				
6000 · Professional Services				
6001 · Accounting/Auditing Services	1,135.56	-1,525.00	2,660.56	174.5%
6040 · Legal Services	678.55	0.00	678.55	100.0%
Total 6000 · Professional Services	1,814.11	-1,525.00	3,339.11	219.0%
6060 · Other Contractual Services	26,695.33	-697.05	27,392.38	3,929.8%
6068 · Parking Management	0.00	0.00	0.00	0.0%
6100 · Other Supplies & Expenses				
6010 · Bank Fees	0.00	466.09	-466.09	-100.0%
6110 · Meeting Expense	0.00	-28.98	28.98	100.0%
Total 6100 · Other Supplies & Expenses	0.00	437.11	-437.11	-100.0%
6200 · Capital Replacement Projects	50,714.10	102,558.30	-51,844.20	-50.6%
6210 · F&B Repair & Maintenance	0.00	4,735.53	-4,735.53	-100.0%
6300 · Utilities Expense				
6301 · Electricity	74,985.80	36,237.42	38,748.38	106.9%
6310 · Natural Gas	309.19	590.23	-281.04	-47.6%
6320 · Steam	14,738.36	11,206.92	3,531.44	31.5%
6340 · Water & Sewer	9,390.65	8,761.66	628.99	7.2%
Total 6300 · Utilities Expense	99,424.00	56,796.23	42,627.77	75.1%
8000 · Personal Services				
8001 · Employee Wages	6,728.53	1,632.40	5,096.13	312.2%
8030 · Employee Benefits	1,210.43	650.22	560.21	86.2%
Total 8000 · Personal Services	7,938.96	2,282.62	5,656.34	247.8%
Total Expense	186,586.50	164,587.74	21,998.76	13.4%
Net Income	-132,313.34	-148,372.70	16,059.36	10.8%



Memorandum

To: CAA Finance Committee

From: Susan Waddell, Administrative Manager

Date: August 14, 2008

Re: Renewal of D&O and Liability Insurance

Convention

Arena

Authority

Steven Heacock,

Chairman

Birgit Klohs

Clif Charles

Gary McInerney

George Heartwell

Joseph Tomaselli

Lew Chamberlin

The CAA's insurance policy is set to expire August 23, 2008. Attached is the insurance renewal proposal prepared by IBEX Insurance Agency. The proposal is basically the same terms and conditions as the expiring policy. The renewal premium is \$20,623 and the expiring premium was \$20,258.

Inasmuch as coverage must be bound on or before August 24, 2008, I am requesting Finance Committee approval to renew the coverage.



Van Andel Arena®
130 Fulton West
Grand Rapids, MI 49503-2601
616.742.6600
Fax 616.742.6197

DEVOS PLACE

DeVos Place®
303 Monroe Ave. NW
Grand Rapids, MI 49503-2233
616.742.6500
Fax 616.742.6590





FISCAL SERVICES DEPARTMENT

Phil Van Dyke, Risk Coordinator

Kent County Administration Building, 300 Monroe Avenue, N.W. Grand Rapids, Michigan 49503-2289
Phone: (616) 623-7668 • Fax: (616) 632-7675 • e-mail: Phil.VanDyke@kentcounty.org

August 13, 2008

Mr. Bob White
Finance Director
Kent County Fiscal Services

DRAFT

RE: Convention/Arena Authority
Insurance Renewal Proposal
Insurer: Michigan Municipal Risk Management Authority (MMRMA)
Effective Date: 8-23-08

The insurance policy for the Convention/Arena Authority is set to expire on August 23, 2008.

Attached is the renewal proposal prepared by the IBEX Insurance Agency.

Expiring premium \$20,258

Renewal premium \$20,623

<u>Coverages</u>	<u>Limit</u>	<u>Deductible</u>
General liability	\$15,000,000	\$0
Public Officials Liability - E & O	\$15,000,000	\$0
Crime/ Faithful Performance	\$ 1,000,000	\$0
Auto physical damage	ACV	\$250
Auto liability - No-Fault	per statute	\$0
Limited Terrorism Liability	\$ 5,000,000	\$0

Please let me know if the CAA approves this renewal proposal. I will then notify the IBEX Insurance Agency to bind coverage.

Let me know if you have any questions.

Phil Van Dyke
Risk Coordinator

cc Steve Duarte
Deputy Director of Fiscal Services

Susan Waddell
Convention/Arena Authority

Table I
Member Deductibles and Self Insured Retentions

COVERAGE	DEDUCTIBLE	SELF INSURED RETENTION
Liability	None	State Pool Member
Vehicle Physical Damage	\$250 / Vehicle	N/A
Property and Crime	N/A	
Sewage System Overflow	N/A	N/A

The Member must satisfy all deductibles before any payments are made from the Member's SIR or by MMRMA.

The Grand Rapids-Kent County C.A.A. is afforded all coverages provided by MMRMA, except as listed below:

1. Property and Crime
2. Sewage System Overflow
- 3.
- 4.

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the Member's SIR. The Member's SIR and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the Member's SIR and the Limits of Coverage stated in the Coverage Overview.

Grand Rapids-Kent County C.A.A. agrees to maintain, at all times, on account with MMRMA, sufficient funds to pay its SIR obligations. The Member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the Member's SIR.

C. MMRMA Obligations - Payments and Limits of Coverage

After the Member's SIR and deductibles have been satisfied, MMRMA will be responsible for paying all remaining costs, including damages, indemnification, and allocated loss adjustment expenses to the Limits of Coverage stated in Table II. The Limits of Coverage include the Member's SIR payments.

The most MMRMA will pay, under any circumstances, which includes payments from the Member's SIR, per occurrence, is shown in the Limits of Coverage column in Table II. The Limits of Coverage includes allocated loss adjustment expenses.

D. Contribution for MMRMA Participation

Grand Rapids-Kent County C.A.A.

Period: August 23, 2008 to August 23, 2009

Coverages per Member Coverage Overview: \$ 20,623

TOTAL ANNUAL CONTRIBUTIONS: \$ 20,623

E. List of Addenda

1. Sewer Exclusion.
2. Limited Liability Coverage for Terrorism
3. Limited Property Coverage for Terrorism

Accepted by:

Grand Rapids-Kent County C.A.A.

MMRMA

Member Representative

MMRMA Representative

Date

Date

- a. Any act of bio-terrorism; or
- b. Any act of nuclear terrorism; or
- c. Any act of chemical terrorism; or
- d. Any act designed to release germs that cause epidemical disease.

For the purpose of this Addendum, an act of bio-terrorism, nuclear terrorism, chemical terrorism and/or designed to release germs that cause epidemical disease shall mean an act, including but not limited to the use of force or violence and/or the threat thereof, involving or resulting in the release of biological or chemical agents or nuclear materials or germs, by an person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), apparently committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Addendum also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a), (b), (c) and/or (d) above,

Section 3

Definitions

- (1) "Employee" means a person while in the employ of the member during the period of membership.

Section 4

Conditions

- (1) In case a loss is alleged to have been caused to the member through acts or defaults by an employee and the member shall be unable to designate the specific employee causing such loss, the member shall nevertheless have the benefit of this provision provided that the evidence submitted reasonably establishes that the loss was in fact caused by an employee through such acts or defaults and provided, further, that regardless of the number of such employees concerned or implicated in such loss, the aggregate liability for any such loss shall not exceed the limit of liability.
- (2) The limit of liability shall not be cumulative from year to year.
- (3) This provision shall be deemed to be cancelled as to any employee:
- (a) Immediately upon discovery by the member of any act on the part of such employee which would constitute a liability under this provision covering such employee; or
 - (b) Upon the death, resignation or removal of such employee; or
 - (c) Upon termination of membership in the Authority.

Should the member indicated below withdraw from the Authority prior to the expiration date shown, the Authority shall notify the certificate holder in writing thirty (30) days in advance of such withdrawal, but failure to mail such notice shall impose no obligation or liability of any kind upon the Authority.

Certificate Holder:

Member:

Grand Rapids-Kent County Convention Arena

Expiration Date of Membership Continuous Until Cancelled

August 23, 2006

Date Issued:



Authorized Representative

Grand Rapids - Kent County Convention/Arena Authority

Report to the Finance Committee Audit Plan for the Year Ended June 30, 2008



BDO Seidman, LLP
Accountants and Consultants

August 21, 2008



BDO Seldman, LLP
Accountants and Consultants

99 Monroe Avenue N.W., Suite 800
Grand Rapids, Michigan 49503-2654
Telephone: (616) 774-7000
Fax: (616) 776-3680

Members of the Finance Committee:

In the wake of well publicized audit failures and emerging best practices in governance, expectations have increased for auditors to communicate openly and candidly with those charged with governance regarding significant findings and issues related to the audit. Statement on Auditing Standards No. 114 establishes standards and provides guidance to an auditor on matters to be communicated with those charged with governance.

Those charged with governance refers to those with responsibility for overseeing the strategic direction of the Grand Rapids - Kent County Convention/Arena Authority (CAA) and obligations related to the accountability of the CAA, including overseeing the financial reporting process. Management refers to those who are responsible for achieving the objectives of the CAA and who have the authority to establish policies and make decisions by which those objectives are to be pursued. Management is also responsible for preparing the financial statements, with the oversight of those charged with governance, including designing, implementing and maintaining effective internal control over financial reporting. In our professional judgment, we believe the Finance Committee is the appropriate governing body to receive these communications.

In connection with our audit of the CAA's financial statements as of and for the year ended June 30, 2008, we are required to communicate the following to the Finance Committee:

- ✓ Our responsibilities under generally accepted auditing standards;
- ✓ An overview of the planned scope and timing of the audit; and
- ✓ Significant findings from the audit.

This communication is intended to assist the Finance Committee in better understanding the consequences of our work for your oversight activities, discussing with us issues of risk and materiality and identifying any areas in which the Finance Committee may request us to undertake additional procedures. In addition, we will also ensure that the Finance Committee is kept appropriately informed of the CAA's financial reporting matters, and have included for your information an update of current financial reporting and regulatory activities that we believe are relevant to the CAA.

We are pleased to be of service to the CAA and look forward to meeting with you on August 21, 2008 to review our plan and to answer any questions.

Very truly yours,

BDO Seldman, LLP

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This communication was prepared as part of our audit, has consequential limitations and is intended solely for the information and use of the Finance Committee and management and is not intended and should not be used by anyone other than these specified.

Management's Responsibilities

- Prepare the financial statements and disclosures in conformity with accounting principles generally accepted in the United States of America
 - ✓ Establish and maintain effective internal control over financial reporting and proper accounting records
 - ✓ Comply with relevant laws and regulations
 - ✓ Safeguard CAA assets
 - ✓ Select appropriate accounting principles
 - ✓ Use reasonable judgments and accounting estimates
 - ✓ Make all financial records and related information available to BDO Seidman
 - ✓ Record material audit adjustments and affirm to BDO Seidman that the impact of unrecorded audit adjustments is immaterial
 - ✓ Provide BDO Seidman with a letter confirming representations made during the audit

BDO Seidman's Responsibilities

- Audit, in accordance with auditing standards generally accepted in the United States of America, the 2008 financial statements and form an opinion about whether the financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles
 - ✓ Audit is designed to focus on higher risk areas and to provide reasonable, rather than absolute, assurance of detecting material errors or fraud
 - ✓ Examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements; no guaranty of the accuracy of the financial statements
 - ✓ Assess the reasonableness of accounting principles used and significant judgments and accounting estimates made by management
 - ✓ Evaluate overall financial statement presentation
 - ✓ The audit includes consideration of the CAA's internal control over financial reporting as a basis for planning the audit and designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting, and we will express no such opinion

BDO Seidman's Responsibilities

(continued)

- Upon completion, communicate significant matters related to the audit that are, in our professional judgment, relevant to the responsibilities of the Finance Committee in overseeing the financial reporting process, including (as applicable):
 - ✓ Our views about the qualitative aspects of the CAA's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures
 - ✓ Significant difficulties encountered during the audit or disagreements with management
 - ✓ Material corrected and uncorrected misstatements that were brought to management's attention as a result of our audit procedures
 - ✓ Written representations we are requesting from management
 - ✓ Significant issues arising from the audit that were discussed, or the subject of correspondence, with management
 - ✓ Management's consultations with other accountants
 - ✓ Illegal acts, fraud involving senior management and fraud that causes a material misstatement of the financial statements whether caused by senior management or other employees
 - ✓ Significant deficiencies and material weaknesses in internal control over financial reporting identified in the audit
- Maintain our independence with respect to the CAA



BDO Seldman, LLP
Accountants and Consultants

99 Monroe Avenue N.W., Suite 800
Grand Rapids, Michigan 49503-2654
Telephone: (616) 774-7000
Fax: (616) 776-3680

August 21, 2008

Members of the Finance Committee
Grand Rapids - Kent County Convention/Arena Authority

Re: Independence Confirmation

We have been engaged to audit the financial statements of the Grand Rapids - Kent County Convention/Arena Authority (CAA) for the year ended June 30, 2008.

Our professional standards require that we communicate, at least annually, with you regarding all relationships between our Firm and the CAA that, in our professional judgment, may reasonably be thought to bear on our independence. We are not aware of any relationships between our Firm and the CAA that, in our professional judgment, may reasonably be thought to bear on our independence.

We hereby confirm that we are independent accountants with respect to the CAA, within the requirements of the American Institute of Certified Public Accountants.

This report is intended solely for the use of the Finance Committee, management and others within the CAA and should not be used for any other purposes.

Very truly yours,

BDO Seldman, LLP

Planned Scope and Timing of Audit

- Planning (June - July 2008)
 - ✓ Meet with management to update our understanding of business operations and identify areas affecting financial reporting and risk of material misstatement
 - ✓ Inquire of management's views about the risks of fraud and whether management has knowledge of any fraud or suspected fraud affecting the CAA
 - ✓ Develop and evaluate materiality thresholds based on consideration of qualitative and quantitative factors specific to the CAA
 - ✓ Update our understanding of internal controls, perform walkthroughs of significant cycles and perform preliminary analytical procedures
 - ✓ Hold internal brainstorming sessions to discuss audit and fraud risks
 - ✓ Develop audit plans based on our assessment of risk of material misstatement, whether due to error or fraud

Planned Scope and Timing of Audit (continued)

- Year-end procedures (October 2008), primarily focused on:
 - ✓ Cash and investments
 - ✓ Accounts receivable
 - ✓ Accounts payable, accrued expenses and deferred revenue
 - ✓ Revenues and expenses
 - ✓ Update analytical review procedures
 - ✓ Assist in preparation of the financial statements if requested; review draft with management
 - ✓ Issue financial statements and our report and review with the Finance Committee

BDO Seidman, LLP

Engagement Team

- BDO Seidman Audit Service Team - Grand Rapids
 - ✓ Pat Duperron - Assurance Engagement Director
 - ✓ John LaFramboise - Assurance Manager
 - ✓ Erik Sijtsma - Assurance In-Charge

Financial Reporting and Auditing Update

BDO Seidman, LLP
Accountants and Consultants



Auditing Standards Board Activities

- New risk assessment standards, Statement on Auditing Standards (SAS) No. 104 through SAS No. 111, which are required to be implemented for the June 30, 2008 audit
 - ✓ SAS No. 104, *Amendment to SAS No. 1, Codification of Auditing Standards and Procedures (Due Professional Care in the Performance of Work)*
 - ✓ SAS No. 105, *Amendment to SAS No. 95, Generally Accepted Auditing Standards*
 - ✓ SAS No. 106, *Audit Evidence*
 - ✓ SAS No. 107, *Audit Risk and Materiality in Conducting an Audit*
 - ✓ SAS No. 108, *Planning and Supervision*
 - ✓ SAS No. 109, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*
 - ✓ SAS No. 110, *Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained*
 - ✓ SAS No. 111, *Amendment to SAS No. 39, Audit Sampling*
- SAS No. 114, *The Auditor's Communication With Those Charged With Governance*

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF
CONSENT TO EASEMENT GRANT RELATED TO AN EASEMENT
AGREEMENT BETWEEN THE CITY-COUNTY BUILDING
AUTHORITY AND 201 MONROE AVENUE, LLC**

Boardmember _____, supported by Boardmember _____, moved
the adoption of the following resolution:

WHEREAS, 201 Monroe, LLC (the "Developer") has acquired and plans to renovate
and rehabilitate a building located at 245 Monroe Avenue, N.W., formerly known as the River
City Building (the "Building"), adjacent to the DeVos Place convention center ("DeVos Place");
and

WHEREAS, the Developer has requested that it obtain several easements in connection
with the renovation and rehabilitation of the Building, including (a) a platform easement on the
roof of DeVos Place for the placement and maintenance of equipment related to the Building,
(b) a tower easement through and under a portion of DeVos Place for the placement and
maintenance of an elevator and stair tower for the Building, (c) a terrace easement for the
placement and maintenance of a portion of an outdoor raised terrace, including an egress hall on
the main level and an exterior sidewalk/ramp with snowmelt, and (d) an ingress and
egress/maintenance and repair easement (collectively, the "Easements"); and

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA")
has had its engineering consultants, Progressive AE ("Progressive"), review the structural
drawings and calculations provided to it by Developer's consultant and Progressive has

determined as summarized in a letter to the CAA dated August 11, 2008, that the Easements will have no significant structural impact on DeVos Place; and

WHEREAS, the CAA and the Developer mutually selected an independent appraiser, Genzink Appraisal Company ("Genzink"), to provide an independent appraisal of the value of the Easements; and

WHEREAS, Genzink has determined the Easements as described in its appraisal have a market value of \$87,000 and the Developer has offered to pay the CAA \$100,000 for the Easements; and

WHEREAS, while the CAA is responsible for the operation of DeVos Place, title to DeVos Place is in the name of the City-County Building Authority (the "Building Authority") until such time as bonds the Building Authority issued to finance a portion of DeVos Place are retired, at which time the CAA will obtain title to DeVos Place; and

WHEREAS, an Easement Agreement between the Building Authority and the Developer (the "Easement Agreement") has been negotiated with the Developer which the Building Authority has approved and which requires the consent of the CAA as the future title holder of DeVos Place.

RESOLVED:

1. That the payment of \$100,000 by the Developer to the CAA for the Easements is approved.
2. That the Easement Agreement in the form presented at this meeting is approved and the Chairman or any other officer of the CAA is authorized to execute a consent to the granting of the Easements in a form approved by CAA legal counsel.

3. That all resolutions or parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded to the extent of such conflict.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: August 27, 2008

Susan M. Waddell
Administrative Manager/Recording Secretary

CERTIFICATION

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a meeting held on August 27, 2008, and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: August 27, 2008

Susan M. Waddell
Administrative Manager/Recording Secretary

CONSENT TO EASEMENT GRANT

The undersigned, GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY, a Michigan statutory authority, of 300 Monroe Avenue, N.W., Grand Rapids, Michigan 49503, hereby consents and agrees to the Easement Agreement, including without limitation, the granting of the easements described in the Easement Agreement by City-County Building Authority to 201 Monroe Avenue, LLC.

IN WITNESS WHEREOF, the undersigned has executed this Consent to Easement Grant as of this _____ day of _____, 2008.

GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY

By _____
Steven Heacock
Its Chairperson

Acknowledged before me in _____ County, Michigan, on _____, 2008, by Steven Heacock, the Chairperson of the GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY, a Michigan statutory authority, for the corporation.

Notary public, State of Michigan, County of _____
My commission expires: _____
Acting in the County of _____

THIS INSTRUMENT PREPARED BY:

James J. Rabaut
Warner, Norcross & Judd LLP
Suite 900
111 Lyon Street, N.W.
Grand Rapids, Michigan 49503
(616) 752-2178

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT ("**Easement Agreement**") is made and entered into this 19th day of August, 2008, by and between the City-County Building Authority, a Michigan statutory authority, whose address is 300 Monroe Avenue, N.W., Grand Rapids, Michigan 49503 ("**Party A**"), and 201 Monroe Avenue, LLC, a Michigan limited liability company, whose address is 126 Ottawa, N.W., Suite 500, Grand Rapids, Michigan 49503 ("**Party B**").

RECITALS:

WHEREAS, Party A owns a certain parcel of real property located in the City of Grand Rapids, Kent County, Michigan, more particularly described on **Exhibit A** attached hereto ("**Parcel A**"); and

WHEREAS, Party B owns a certain parcel of real property located in the City of Grand Rapids, Kent County, Michigan, more particularly described on **Exhibit B** attached hereto ("**Parcel B**"); and

WHEREAS, Party B requires perpetual easements appurtenant to Parcel B on, over under and across portions of Parcel A for (i) ingress and egress, (ii) an elevator and stair tower, (iii) a platform for certain equipment serving Parcel B, and (iv) a terrace serving Parcel B.

NOW, THEREFORE, IN CONSIDERATION OF THE AFOREMENTIONED FACTS, THE PAYMENT BY PARTY B OF THE SUM OF ONE HUNDRED THOUSAND DOLLARS (\$100,000.00), WHICH PAYMENT HAS BEEN MADE (AT THE DIRECTION OF PARTY A) TO THE GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

I. TOWER EASEMENT

1. Party A grants to Party B, an exclusive perpetual easement (the "**Tower Easement**") appurtenant to Parcel B, on, over, across, through, and under the portion of Parcel A described on **Exhibit C** attached hereto (the "**Tower Easement Area**") for the construction, maintenance, repair, replacement and improvement of an elevator and stair tower and related

improvements (collectively, "**Tower**"), which Tower shall serve Parcel B. The owner of Parcel A shall not erect any buildings or other structures within the Tower Easement Area or in any way interfere with the owner of Parcel B's use of the Tower Easement Area. The Tower Easement shall also include an easement of support and the owner of Parcel A shall not allow any activity on Parcel A which will undermine or compromise the support of the Tower. Notwithstanding the foregoing, the owner of Parcel B shall be responsible to construct appropriate foundations for the initial construction of the Tower (and the Tower Easement shall also include the right to maintain such foundations).

2. The Tower Easement shall burden the Tower Easement Area and shall benefit and run with Parcel B.

3. The owner of Parcel B shall contract for and shall pay all costs associated with the initial construction of the Tower. Except as specifically provided herein, the owner of Parcel B shall be responsible for and shall pay all costs associated with the maintenance and repair of the Tower. Notwithstanding anything contained herein to the contrary, the owner of Parcel B shall have no duty to construct and/or replace the Tower and may remove the Tower at any time. In the event the owner of Parcel B removes the Tower, the owner of Parcel B shall restore any affected Common Walls to close the opening(s) created by the removal of the Tower in the building located on Parcel A (and, thus, make such building a complete architectural unit).

II. **PLATFORM EASEMENT**

1. Party A grants to Party B an exclusive perpetual easement (the "**Platform Easement**") appurtenant to Parcel B, on, over, across, through, and under the portion of Parcel A described on **Exhibit D** attached hereto (the "**Platform Easement Area**") for the construction, maintenance, repair, replacement and improvement of a platform and various equipment serving the improvements located on Parcel B (collectively, the "**Platform**"). The owner of Parcel A shall not erect any buildings or other structures within the Platform Easement Area or in any way interfere with the owner of Parcel B's use of the Platform Easement Area. The Platform Easement shall also include an easement of support and the owner of Parcel A shall not allow any activity on Parcel A which will undermine or compromise the support of the platform and/or equipment located within the Platform Easement Area. Notwithstanding the foregoing, the owner of Parcel B shall be responsible to construct appropriate foundations for the initial construction of the platform and equipment located in the Platform Easement Area (and the Platform Easement shall also include the right to maintain such foundations). Notwithstanding anything contained herein to the contrary, the owner of Parcel B shall not construct or maintain any equipment which shall be located above the "view line" described on the sketch attached to this Easement Agreement as **Exhibit E**. In addition, at no time shall the owner of Parcel B place a load upon the roof of the improvements located on Parcel A exceeding the load per square foot it was designed to carry and is permitted by applicable law.

2. The Platform Easement shall burden the Platform Easement Area and shall benefit and run with Parcel B. Except as specifically provided herein, the owner of Parcel B shall be responsible for and shall pay all costs associated with the maintenance and repair of the platform and equipment located in the Platform Easement Area. Notwithstanding anything

contained herein to the contrary, the owner of Parcel B shall have no duty to construct and/or replace the Platform and may remove the Platform at any time. In the event the owner of Parcel B removes the Platform, the owner of Parcel B shall repair any damage to the Common Roof caused by such removal. The owner of Parcel A shall maintain, in good condition, the Common Roof and all other improvements providing support to the Platform or (in the alternative) provide alternate support for the Platform at the original location (e.g. elevation) of the Platform.

3. The parties acknowledge and agree that upon 90 days advance written notice to the owner of Parcel B, the owner of Parcel A may, at its sole cost, relocate the Platform Easement Area to a new location on Parcel A acceptable to the owner of Parcel B (whose approval shall not be unreasonably withheld, delayed or conditioned) so long as: (i) the owner of Parcel A is responsible for and pays all costs and expenses associated with relocating the platform and equipment located within the Platform Easement Area to the new location; (ii) the owner of Parcel A obtains all required governmental permits and authorizations required for the relocation of the platform and equipment located in the Platform Easement Area; (iii) the owner of Parcel A performs all work to relocate the platform and equipment located in the Platform Easement Area (including all disconnection and hook-up) in a good and workmanlike manner and in compliance with all applicable laws, rules, orders, ordinances and regulations; (iv) the new location of the Platform Easement Area will not increase the operating cost or effectiveness (in serving the improvements located on Parcel B) of the platform and/or equipment located in the Platform Easement Area; (v) the relocation of the platform and the equipment located in the Platform Easement Area does not in any way interrupt any service to the improvements located on Parcel B; (vi) the parties execute and record a new easement agreement (or an amendment to this Easement Agreement) in a form reasonably acceptable to the owner of Parcel B under which the owner of Parcel A grants to Parcel B an easement (on terms substantially similar to the terms herein) with respect to the new platform easement area location; and (vii) the owner of Parcel A obtains the written consent of each party holding a lien with respect to Parcel A to any new easement agreement and/or amendment described in Subsection II (4) (vi) of this Easement Agreement.

III. INGRESS AND EGRESS/MAINTENANCE AND REPAIR EASEMENT

1. Party A hereby grants to Party B, a perpetual easement appurtenant (collectively, the "Access Easement") to Parcel B across, over and through the following portions of Parcel A: (i) a path (to be reasonably determined by the owner of Parcel A) from the parking facility located in basement of DeVos Place (i.e. the structure located on Parcel A) to the portion of the Tower located adjacent to the basement level of building located on Parcel B and the adjacent elevator equipment room; (ii) the path along the skywalk corridor located in DeVos Place connecting (a) the portion of the Tower adjacent to the Second Floor of the building located on Parcel B, (b) the place where such skywalk corridor connects to the Amway Grand Plaza and (c) the parking garage located within DeVos Place at the second floor level; (iii) the path (including, without limitation, the switch-back ramp and stairs) between the door located on the Second Floor of building located on Parcel B and the DeVos Place exit located on Monroe Avenue; (iv) the area on the roof of DeVos Place located within ten feet (10') of the Platform easement Area; (v) the air space located within ten feet (10') of the Tower and within ten feet (10') of the north wall of the building located on Parcel B; and (vi) the air space above and adjacent to the Platform

Easement Area necessary to construct (e.g. install equipment), maintain, repair, improve and replace the platform and equipment in the Platform Easement Area (collectively, the "**Access Easement Areas**") for the purpose of (a) pedestrian ingress to and egress, (b) with respect to item III (1) (iv) for the maintenance, repair, replacement and improvement of the platform and equipment located in the Platform Easement Area, (c) with respect to item III (1) (v) for the maintenance, repair, replacement and improvement of the Tower and the building located on Parcel B, and (d) with respect to item III (1) (vi) for the construction, maintenance, repair, replacement and improvement of the platform and equipment in the Platform Easement Area. With respect to all locked door(s) located within any portion of the Access Easement Areas, the owner of Parcel A shall provide to the owner of Parcel B six (6) sets of keys and/or access cards (or other similar device) necessary to maneuver through such locked doors (together with replacement keys, cards, etc., as necessary).

2. The Access Easement shall burden the Access Easement Area and shall benefit and run with Parcel B.

3. The owner of Parcel A shall maintain and repair or cause to be maintained and repaired the Access Easement Area.

IV. **TERRACE EASEMENT**

1. Party A grants to Party B, an exclusive perpetual easement (the "**Terrace Easement**") appurtenant to Parcel B, on, over, across, through, and under the portion of Parcel A described on **Exhibit F** attached hereto (the "**Terrace Easement Area**") for the construction, maintenance, repair, replacement and improvement of a terrace and related improvements including an egress hall on the main level on the north and new exterior sidewalk/ramp with snowmelt (collectively, "**Terrace**"), which Terrace shall serve Parcel B. The owner of Parcel A shall not erect any buildings or other structures within the Terrace Easement Area or in any way interfere with the owner of Parcel B's use of the Terrace Easement Area. The Terrace Easement shall also include an easement of support and the owner of Parcel A shall not allow any activity on Parcel A which will undermine or compromise the support of the Terrace. Notwithstanding the foregoing, the owner of Parcel B shall be responsible to construct appropriate foundations for the initial construction of the Terrace (and the Terrace Easement shall also include the right to maintain such foundations).

2. The Terrace Easement shall burden the Terrace Easement Area and shall benefit and run with Parcel B.

3. The owner of Parcel B shall contract for and shall pay all costs associated with the initial construction of the Terrace. Except as specifically provided herein, the owner of Parcel B shall be responsible for and shall pay all costs associated with the maintenance and repair of the Terrace. Notwithstanding anything contained herein to the contrary, the owner of Parcel B shall have no duty to construct and/or replace the Terrace and may remove the Terrace at any time.. In the event the owner of Parcel B removes the Terrace, the owner of Parcel B shall repair any damage to the building(s) located on Parcel A caused by such removal.

V. GENERAL

1. Except as specifically provided herein, nothing in this Easement Agreement shall authorize the owner of Parcel B to, and such owner shall not, do any act which will in any way encumber the title of the owner of Parcel A in and to the Parcel A, nor shall the interest or estate of the owner of Parcel A in the Parcel A be in any way subject to any claim whatsoever by virtue of any act or omission of the owner of Parcel B. Any claim to a lien upon Parcel A arising from any act or omission of the owner of Parcel B shall be valid only against the owner of Parcel B's interest in Parcel A. The owner of Parcel B shall remove any lien or encumbrance on its interest in Parcel A within 30 days after it has arisen; provided, however, that the owner of Parcel A may in good faith contest any such item if it posts a bond or other security as provided under applicable law (or in the event no such law exists, a bond reasonably acceptable to the owner of Parcel A).

2. The owner of Parcel B acknowledges and agrees that, to the extent that its use of the easements described in this Easement Agreement will materially impact operations on Parcel A (e.g. parking of a crane in front of DeVos Place during the installation of equipment in the Platform Easement Area), the owner of Parcel B shall coordinate such use with the owner of Parcel A to attempt to reasonably minimize such impact. The owner of Parcel A and the owner of Parcel B shall reasonably cooperate to address any operational and/or security issues associated with the easements created under this Easement Agreement.

3. To the extent that the exercise of the owner of Parcel B's rights hereunder require the relocation of any utility facilities located on Parcel A as of the date of this Easement Agreement, the owner of Parcel B shall pay the reasonable cost of such relocation.

4. The owner of Parcel B agrees to carry, at its expense, Commercial Liability Insurance as will protect the owner of Parcel A and the owner of Parcel B from claims for damages due to bodily injury, loss, or damage to property for which the owner of Parcel B is responsible to indemnify the owner of Parcel A under Article V (5) below. Such insurance shall (a) be occurrence-based, and (b) provide coverage in an amount equal to \$1,000,000 combined single limit. A certificate of insurance evidencing all coverage specified in this paragraph shall be furnished by the owner of Parcel B to the owner of Parcel A upon request. These certificates shall contain a provision that the coverages afforded under such policies shall not be cancelable until at least thirty (30) days' prior written notice of intention to cancel has been delivered by the insurer to the owner of Parcel A.

The owner of Parcel A agrees to carry, at its expense (or arrange for its managing agent to carry), Commercial Liability Insurance as will protect the owner of Parcel A and the owner of Parcel B from claims for damages due to bodily injury, loss, or damage to property on Parcel A. Such insurance shall (a) be occurrence-based, and (b) provide coverage in an amount equal to \$1,000,000 combined single limit. A certificate of insurance evidencing all coverage specified in this paragraph shall be furnished by the owner of Parcel A to the owner of Parcel B upon request. These certificates shall contain a provision that the coverages afforded under such policies shall not be cancelable until at least thirty (30) days' prior written notice of intention to cancel has been delivered by the insurer to the owner of Parcel B. In addition, so long as the

owner of Parcel A is a municipality or a Michigan statutory authority, the owner of Parcel A may satisfy its obligation to maintain Commercial Liability Insurance under this Easement Agreement through a commercially reasonable program of self-insurance under which (i) the self insured retention of the owner of Parcel A shall not exceed \$1,000,000 and (ii) the owner of Parcel B shall be named as an additional insured party on any re-insurance policy obtained by or for the benefit of the owner of Parcel A.

The owner of Parcel A shall, at its expense, insure (or arrange for its managing agent to insure) DeVos Place, including, without limitation, the common walls shared by the DeVos Place and the Tower ("**Common Walls**") and the roof of DeVos Place on which the Platform is located ("**Common Roof**") against direct and indirect loss or damage by fire and any other casualty covered under a special form coverage (f/k/a all-risk) property insurance policy (with commercially reasonable amounts of coverage), including without limitation flood (if applicable), earthquake (if applicable), acts of terrorism, boiler and machinery, ordinance or law (undamaged portion of building, demolition and increased cost of construction), and with no exclusion for windstorms. The owner of Parcel A shall not modify the Common Walls or Common Roof in any manner that would adversely impact the owner of Parcel B's use of the Tower and/or Platform or the exercise of the owner of Parcel B's rights hereunder. In the event of any damage to the Common Walls or Common Roof, the owner of Parcel A shall (subject to the provisions of this paragraph) promptly restore the Common Walls and Common Roof to a condition substantially similar to that immediately prior to the casualty in question. The Owner of Parcel A shall coordinate all such restoration work so that it is accomplished in an efficient manner and contemporaneous with the owner of Parcel B's re-construction/repair of the Tower and Platform (if applicable). Notwithstanding the foregoing, the owner of Parcel A shall have no duty to restore the Common Walls in the event the Tower is destroyed and the owner of Parcel B determines that it shall not rebuild the Tower. In addition, notwithstanding the foregoing, the owner of Parcel A shall have no duty to restore the Common Roof in the event the Platform is destroyed and the owner of Parcel B determines that it shall not rebuild the Platform. The policy of property insurance described in this paragraph shall name owner of Parcel B as an additional insured party. In addition, so long as the owner of Parcel A is a municipality or a Michigan statutory authority, the owner of Parcel A may satisfy its obligation to maintain fire/casualty property damage insurance under this Easement Agreement through a commercially reasonable program of self-insurance.

The owner of Parcel B shall, at its expense, insure the Tower (excluding any Common Walls) and the Terrace, against direct and indirect loss or damage by fire and any other casualty covered under a 100% replacement cost special form coverage (f/k/a all-risk) property insurance policy, including without limitation flood (if applicable), earthquake (if applicable), acts of terrorism, boiler and machinery, ordinance or law (undamaged portion of building, demolition and increased cost of construction), and with no exclusion for windstorms. In the event of any damage to the Tower, Platform, and/or the Terrace, the owner of Parcel B shall have no duty to restore or rebuild the Tower, Platform and/or the Terrace. The policy of property insurance described in this paragraph shall name owner of Parcel A as an additional insured party.

Notwithstanding the foregoing, the owner of Parcel A and the owner of Parcel B agree that the amounts of insurance coverage required hereunder shall be increased from time to time to be consistent with the amounts of such coverages reasonably maintained for similar risks and it is mutually agreed by Party A and Party B that the financial liability of Party B shall not be limited by the insurance coverage amounts required to be carried by Party B pursuant to this Easement Agreement. In addition, all insurance required hereunder shall be obtained from an insurance company qualified to do business in the state of Michigan. The owner of Parcel A and the owner of Parcel B each agree to provide the other 30 days' prior written notice of any reduction, cancellation or material modification of any insurance coverage required to be maintained by such owner under this Easement Agreement.

5. Subject to the waivers contained herein, the owner of Parcel B agrees to defend, indemnify and hold harmless the owner of Parcel A, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") and the CAA's manager of DeVos Place, SMG, and their respective officers, commissioners, boardmembers, employees and agents from any liability, claim, demand or expense, including for injury to or death of any person or damage to property of every kind and nature arising from or in connection with the use and occupancy of the Tower Easement Area, the Terrace Easement Area, and/or the Platform Easement Area caused by the acts or negligence of the owner of Parcel B or its agents, employees, contractors, subcontractors, guests and invitees.

6. The owner of Parcel A on behalf of itself and its managers and agents hereby waives all right of recovery against the owner of Parcel B and its agents, employees, contractors, subcontractors, guests, and invitees and agrees not to assign or transfer any right of subrogation to its property damage insurance carrier or any other party as to any and all insurable damage to or destruction of Parcel A and/or the improvements located on Parcel A and any other property of the owner of Parcel A. The owner of Parcel A agrees (i) to notify its property damage insurance carriers of the agreement contained herein not to transfer or assign any rights of subrogation to said insurance carrier; and (ii) to require its property damage insurance carriers to issue a waiver of any such rights of subrogation set forth in any and all subrogation clauses or endorsements included in such carriers' policies of insurance.

7. The owners of Parcel A and Parcel B each agree to pay or cause to be paid, prior to delinquency, all taxes and installments of special assessments with respect to their respective parcels, the buildings and improvements located thereon, and any personal property located thereon.

8. In the event that a party hereto shall default hereunder, and such default is not cured within 15 days after written notice from the nondefaulting party to the defaulting party, except that if such default cannot be cured within said fifteen (15) day period, this period shall be extended for an additional thirty (30) days, provided that the defaulting party commences to cure such default within the fifteen (15) day period and proceeds diligently thereafter to affect such cure, then the nondefaulting party may perform the obligation of the defaulting party and the expenses thereof shall be immediately due and owing from the defaulting party to the nondefaulting party. Any amount due from the defaulting party to the nondefaulting party shall bear interest at the lesser of (a) fifteen percent (15%) per annum, or (b) the maximum rate

permitted by applicable law, compounded annually. The remedies provided for herein are in addition to and not in lieu of any other rights and remedies available at law or in equity and the nondefaulting party shall have the right to enforce the provisions of this Easement Agreement by an appropriate action at law or in equity, including, without limitation, an action for a specific performance.

9. All notices, demands, and requests given or required to be given pursuant to this Easement Agreement shall be in writing. All such notices, demands, and requests shall be deemed to have been properly given if (i) served in person by messenger or (ii) sent by nationally recognized overnight courier service (e.g. Federal Express or UPS) in which case such notice shall be deemed given the day after the date sent with all fees paid.

10. The invalidity or unenforceability of any part or provision of this Easement Agreement shall not affect the validity or enforceability of any other part or provision. This Easement Agreement shall be governed by the laws of the State of Michigan.

11. The easements created under this Easement Agreement and the rights and responsibilities set forth shall, be perpetual and shall run with the land. The provisions of this instrument may be amended, but only with the written consent of all of the owners of Parcel A and Parcel B.

12. Party B acknowledges that Party A shall convey Parcel A to the Grand Rapids-Kent County Convention Arena Authority upon full payment of the outstanding bonds associated with the improvements located, as of the date of this Easement Agreement, on Parcel A.

IN WITNESS WHEREOF, the undersigned has executed this Easement Agreement as of this 19th day of August, 2008.

City-County Building Authority, a
Michigan statutory authority

By: _____
Daryl Delabbio
Its: Chairman

201 Monroe Avenue, LLC, a
Michigan limited liability company

By: _____
Its: _____

STATE OF MICHIGAN

)

)ss:

COUNTY OF KENT

)

Acknowledged before me in Kent County, Michigan on _____, 2008,
by Daryl Delabbio, as the Chairman of the City-County Building Authority, a Michigan statutory
authority, for the authority.

Notary public, State of Michigan, County of _____
My commission expires _____
Acting in the County of Kent

STATE OF MICHIGAN

)

)ss:

COUNTY OF KENT

)

Acknowledged before me in Kent County, Michigan on _____, 2008,
by _____, as _____ of 201
Monroe Avenue, LLC, a Michigan limited liability company, for the limited liability company.

Notary public, State of Michigan, County of _____
My commission expires _____
Acting in the County of Kent

EXHIBIT A

Parcel A

Part of Kent Plat and Part of the NE fractional 1/4 of Section 25, Town 7 North, Range 12 West, more particularly described as: Commencing 469.88 feet South 1°17'56" East along the West line of Monroe Avenue (100 feet wide) from the Northeast corner of Lot 2 of Kent Plat; thence South 1°17'56" East 561.52 feet to the Southeast corner of the North 35.66 feet of Lot 34 of Kent Plat; thence South 88°44'34" West parallel with the North line of said Lot 34 and said North line extending 92.22 feet; thence South 1°17'56" East 44.42 feet to the North line of Lyon Street (66 feet wide); thence South 88°44'34" West along said North line 156.31 feet; thence North 1°17'56" West 29.94 feet to the North line of Lyon Street (96 feet wide); thence South 88°44'34" West along said North line 280.91 feet to the East dock line of Grand River; thence North 3°21'54" East along said dock line 311.0 feet; thence North 5°21'17" East along said dock line 267.86 feet; thence North 88°42'04" East 473.10 feet to the point of beginning.

The property address and tax parcel number listed below are provided solely for informational purposes, without warranty as to accuracy or completeness. If the information listed below is inconsistent in any way with the legal description listed above, the legal description listed above shall control.

Property Address: 245 Monroe Avenue, N.W.

Tax Parcel Nos.: #41-13-25-207-024

EXHIBIT B

Parcel B

That part of Lots 34 and 35, Kent Plat, City of Grand Rapids, Kent County, Michigan, as recorded in Liber 19 of Plats, Page 12, and that part of the Northeast fractional 1/4 of Section 25, Town 7 North, Range 12 West, City of Grand Rapids, Kent County, Michigan, described as: Commencing at the Southeast corner of Lot 35, Kent Plat; thence North 1 degree 17 minutes 56 seconds West along the West line of Monroe Avenue (100 feet wide) 44.33 feet to the Southeast corner of the North 35.66 feet of Lot 34, Kent Plat; thence South 88 degrees 44 minutes 34 seconds West parallel with the North line of said Lot 34 and said North line, extended 92.22 feet; thence South 1 degree 17 minutes 56 seconds East 44.42 feet (measured 44.33 feet) to the North line of Lyon Street (66 feet wide); thence North 88 degrees 44 minutes 34 seconds East along the North line of said Lyon Street 92.22 feet to beginning.

The property address and tax parcel number listed below are provided solely for informational purposes, without warranty as to accuracy or completeness. If the information listed below is inconsistent in any way with the legal description listed above, the legal description listed above shall control.

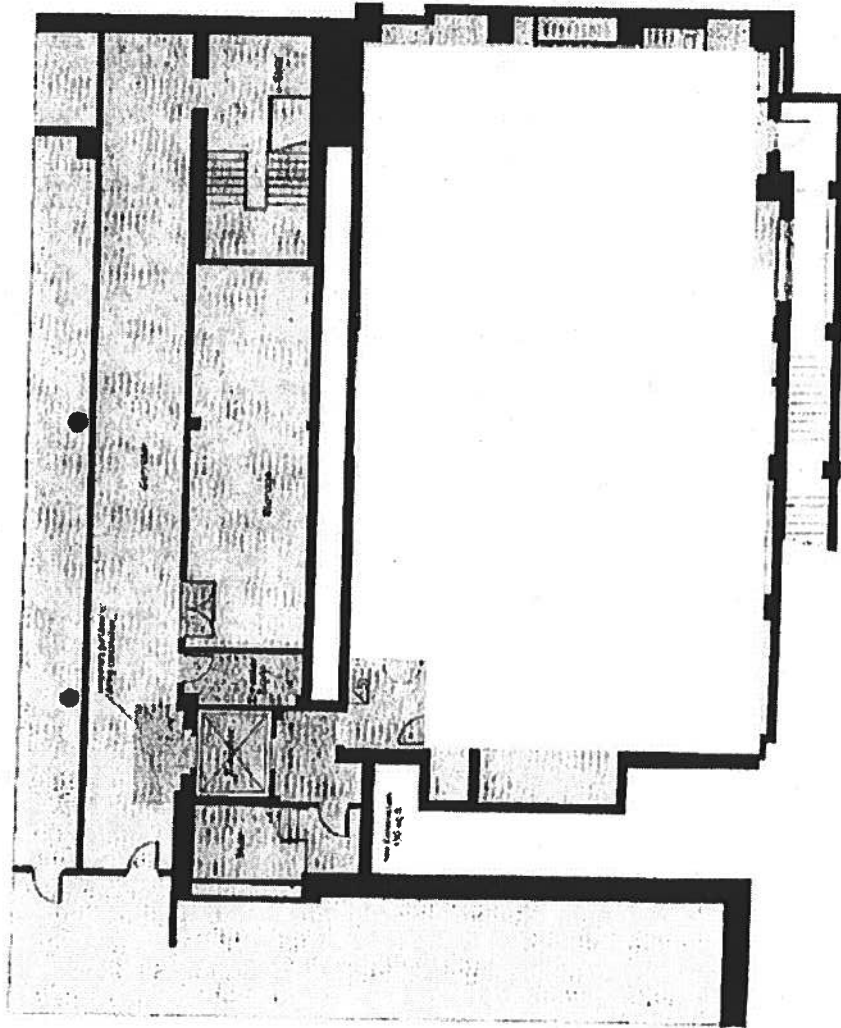
Property Address: 201 Monroe Avenue, N.W.

Tax Parcel Nos.: #41-13-25-226-004

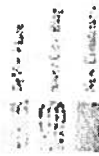
EXHIBIT C

Tower Easement Area

Includes "Tower Easement" described/depicted on the attached Nederveld Survey (Project No. 08100149.1) and the portion of the "New Construction" area located on Parcel A depicted on attached Via Design drawings.

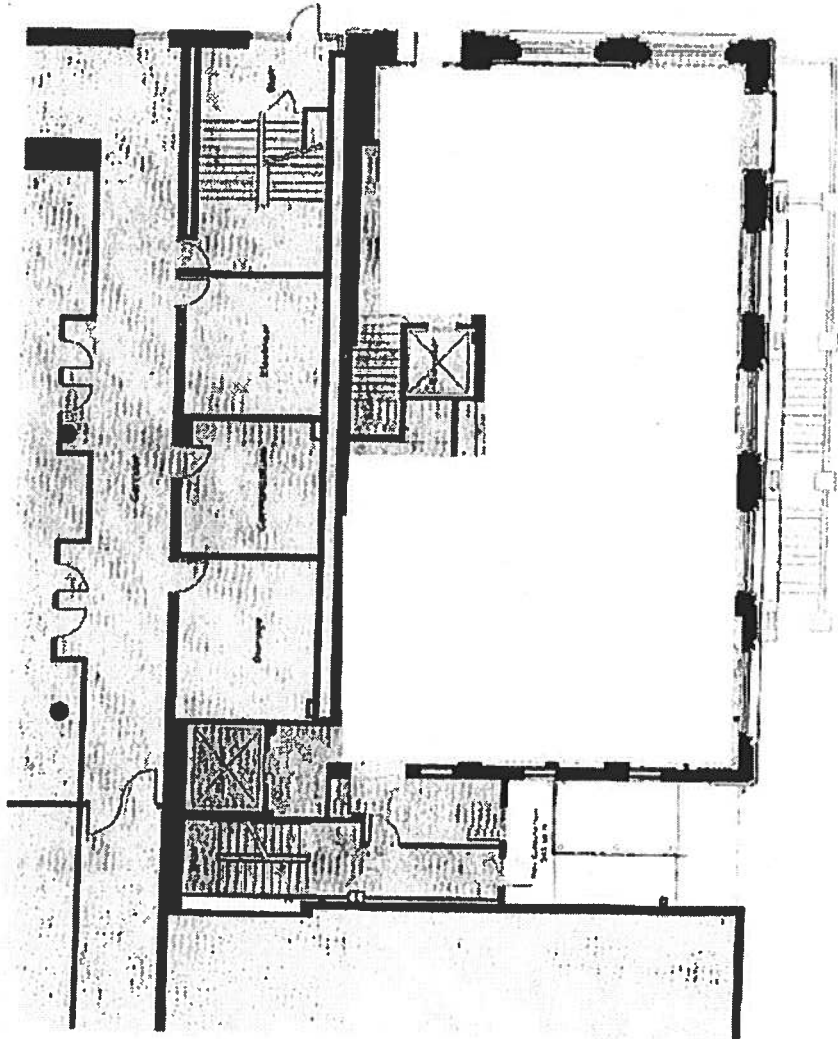


LOWER LEVEL PLAN
Scale: 1/8" = 1'-0"



Renovation
River City Building
[via]

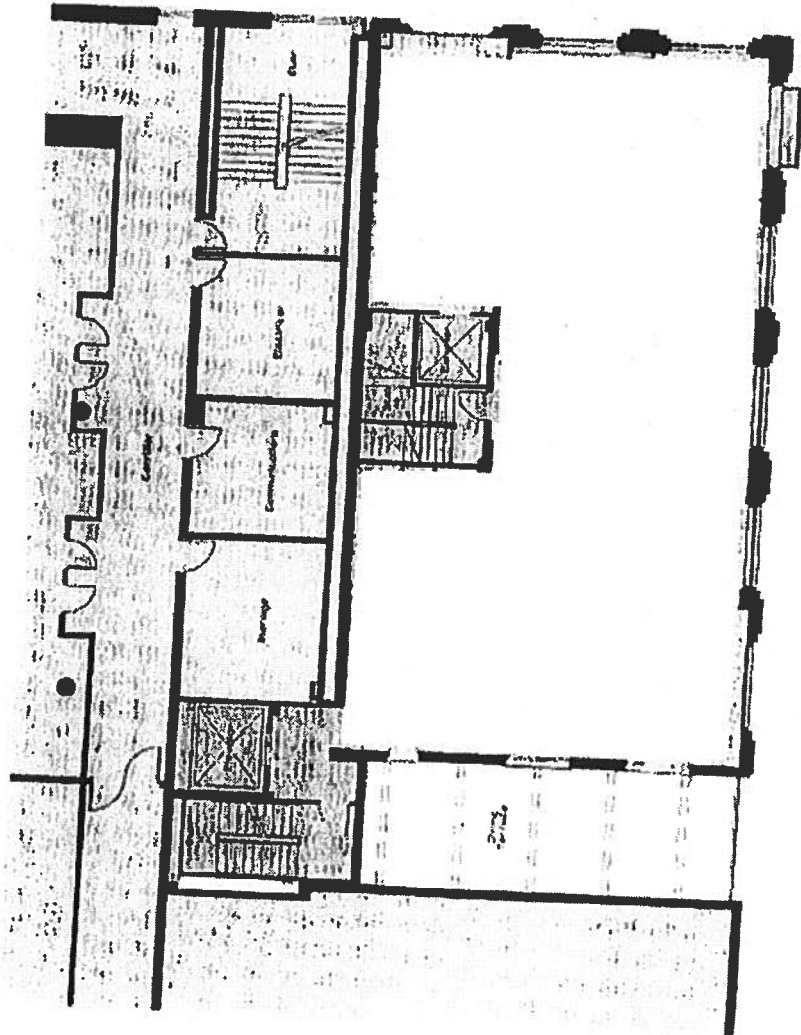
W. O. O'Connell, Inc.
Architects
One South Main Street
St. Paul, MN 55102
Tel: 612-222-1111
Fax: 612-222-1112



Main Level Plan
Scale: 1/8" = 1'-0"

Renovation
2000
River City Building
via

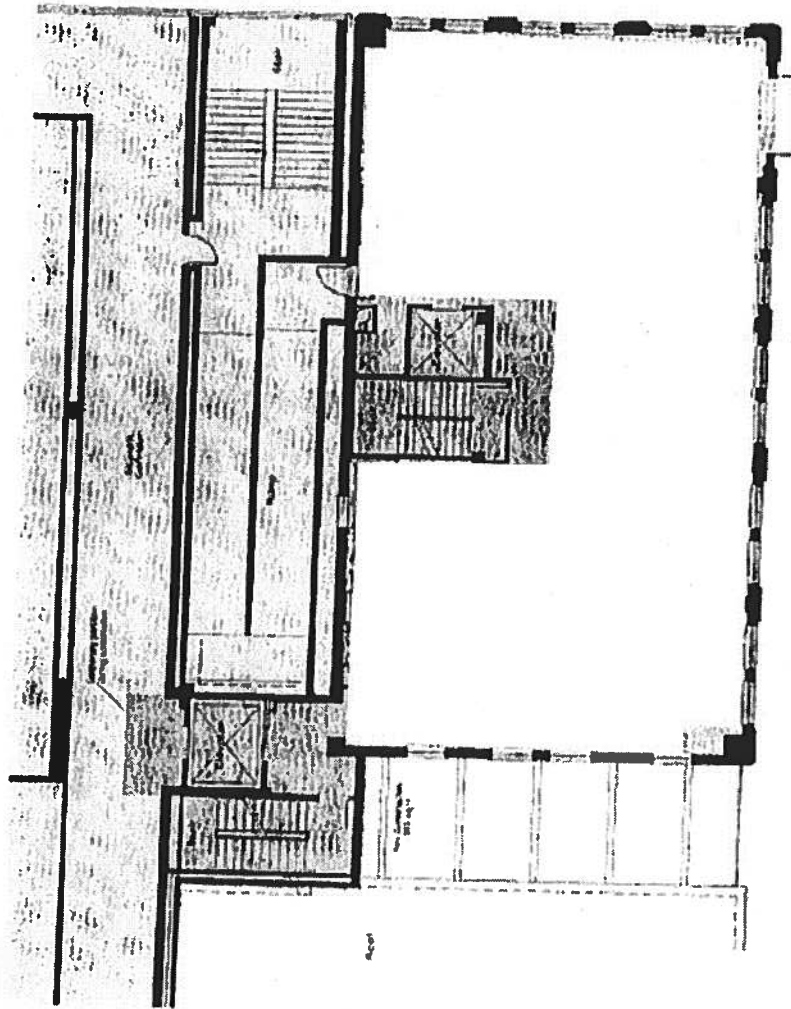
Via Design Inc.
2000
2000
2000
2000



Renovation
 2nd Floor
 River City Building
 [via]

Vezzorine Plan
 Scale: 1/8" = 1'-0"

We Design Inc.
 4000 1st Ave.
 San Francisco, CA 94103
 Tel: 415.774.1111
 Fax: 415.774.1112



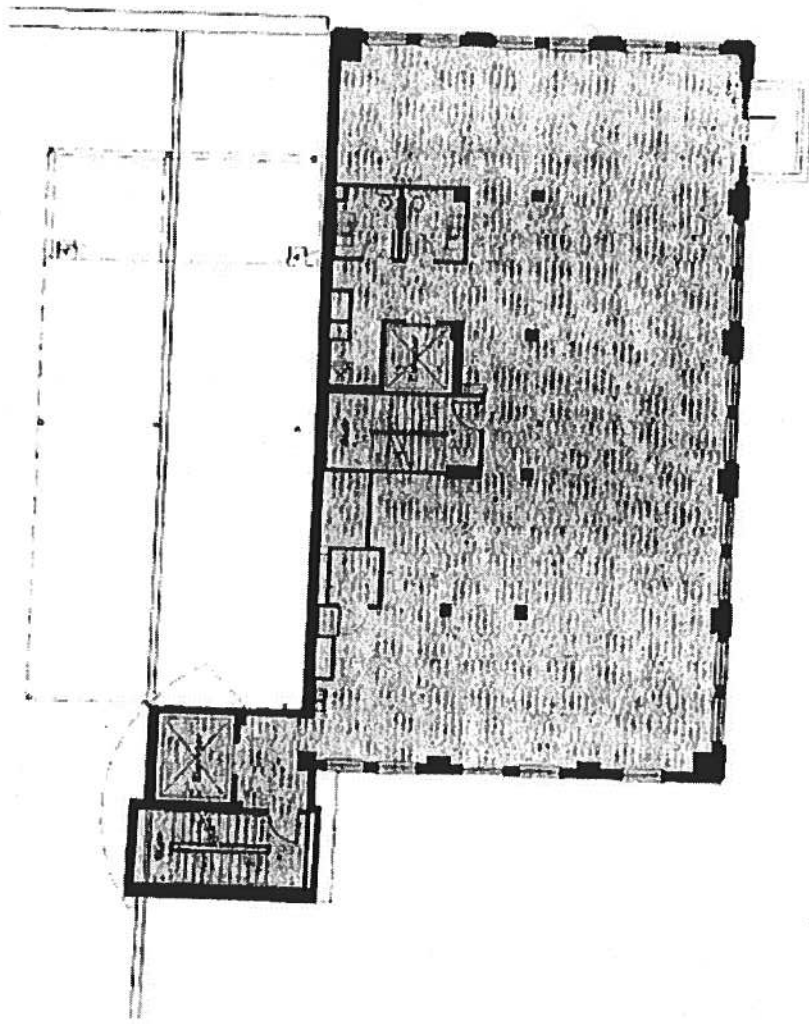
1. Existing
 2. New
 3. To Be Removed

Renovation
 of
 River City Building

via

The Design Firm
 1000 Main Street
 Grand Rapids, MI 49503
 • 616-455-1234
 • www.designfirm.com

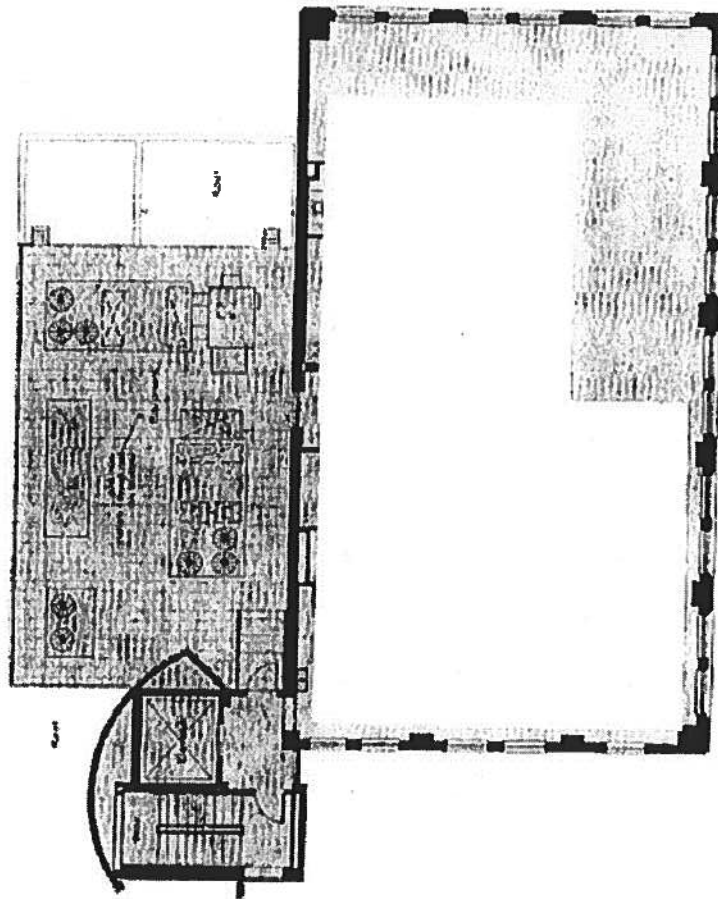
Second Level Plan
 Scale: 1/4" = 1'-0"



Third Level Plan
Scale: 1/8" = 1'-0"

Renovation
300 North Ave.
Cincinnati, Ohio 45219
River City Building
[via]

120 Design, Inc.
1000 North Ave.
Cincinnati, Ohio 45219
1-800-521-1200
1-800-521-1201
1-800-521-1202

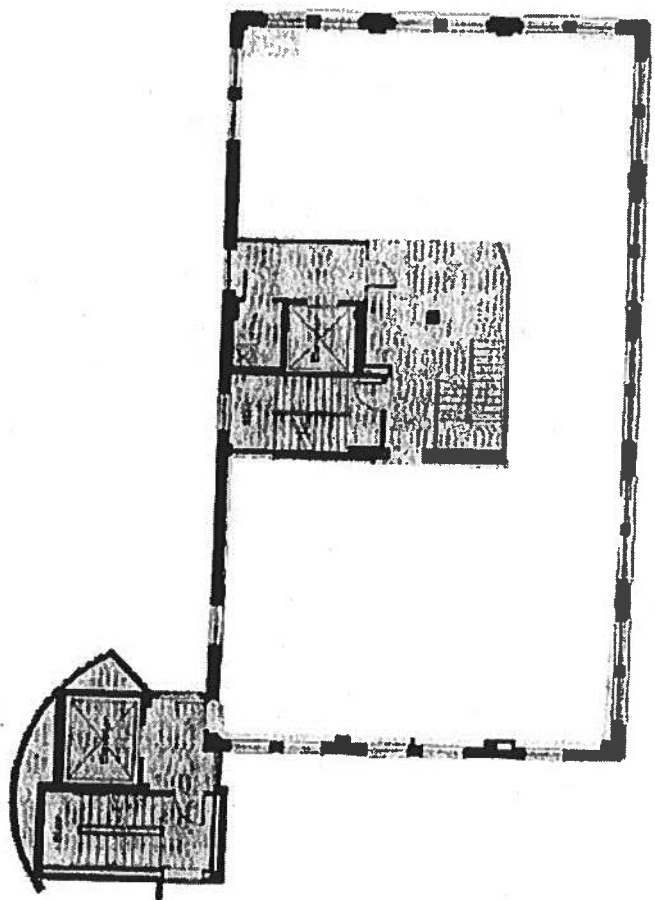


Fourth Level Plan
Scale: 1/8" = 1'-0"

Legend
Notes
References

Renovation
River City Building
via

Architect
Architect
Architect

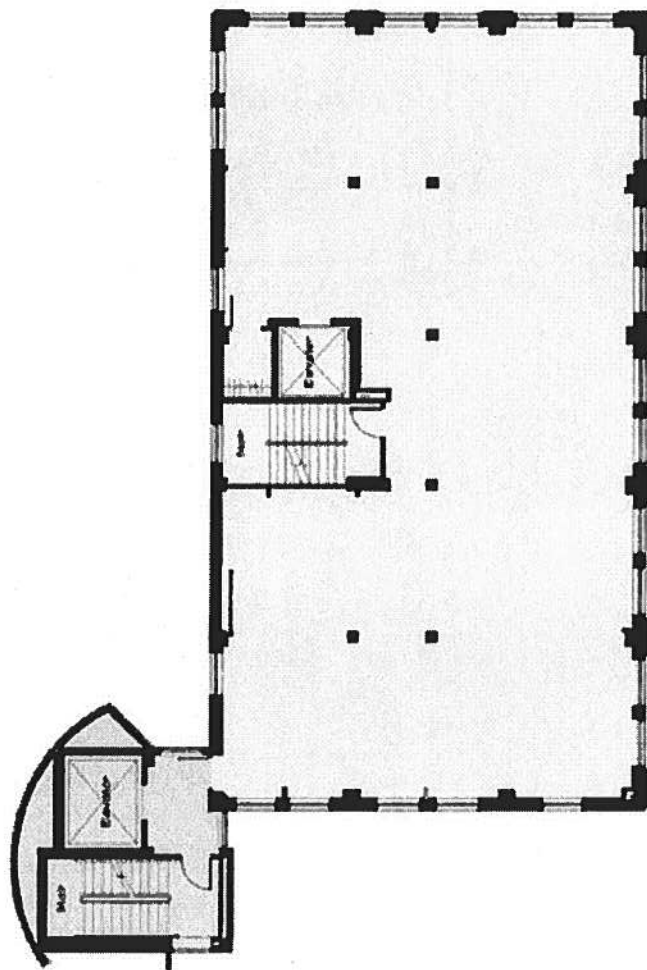


Fifth Level Plan
Scale: 1/8" = 1'-0"

Renovation
City of New York
River City Building
via

Van Dusen, Inc.
140 West 14th St.
New York, N.Y. 10011
1. Architect
2. Engineer
3. Contractor

City of New York
River City Building
New York, N.Y. 10011



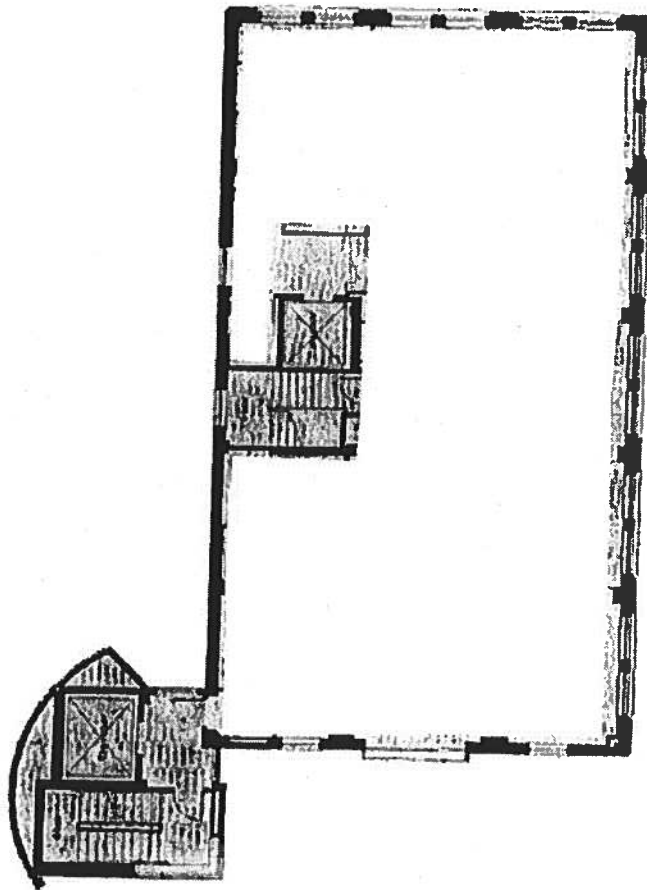
Existing Floor
 River City Bldg
 New Construction

Renovation River City Building

201 Madison Ave.
 Grand Rapids, Michigan 49503

Sixth Level Plan
 Scale: 1/8" = 1'-0"

V&B Design Inc.
 1000 1st Avenue NW
 Grand Rapids, MI 49503
 616.455.1234
 v&bdesign.com

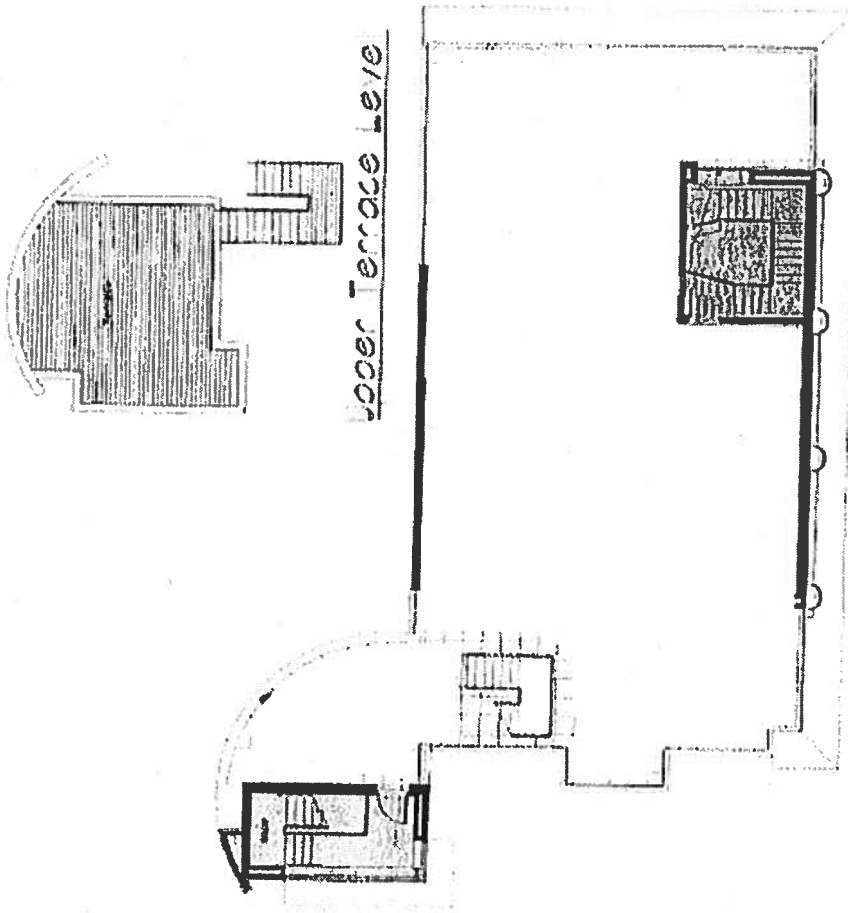


Seventh Level Plan
Scale: 1/8" = 1'-0"

Renovation
of
River City Building

[via]

Van Design Inc.
Architects
3000 North 1st Street
St. Paul, MN 55104
(612) 291-1111



Eight Level Plan
Scale: 1/8" = 1'-0"



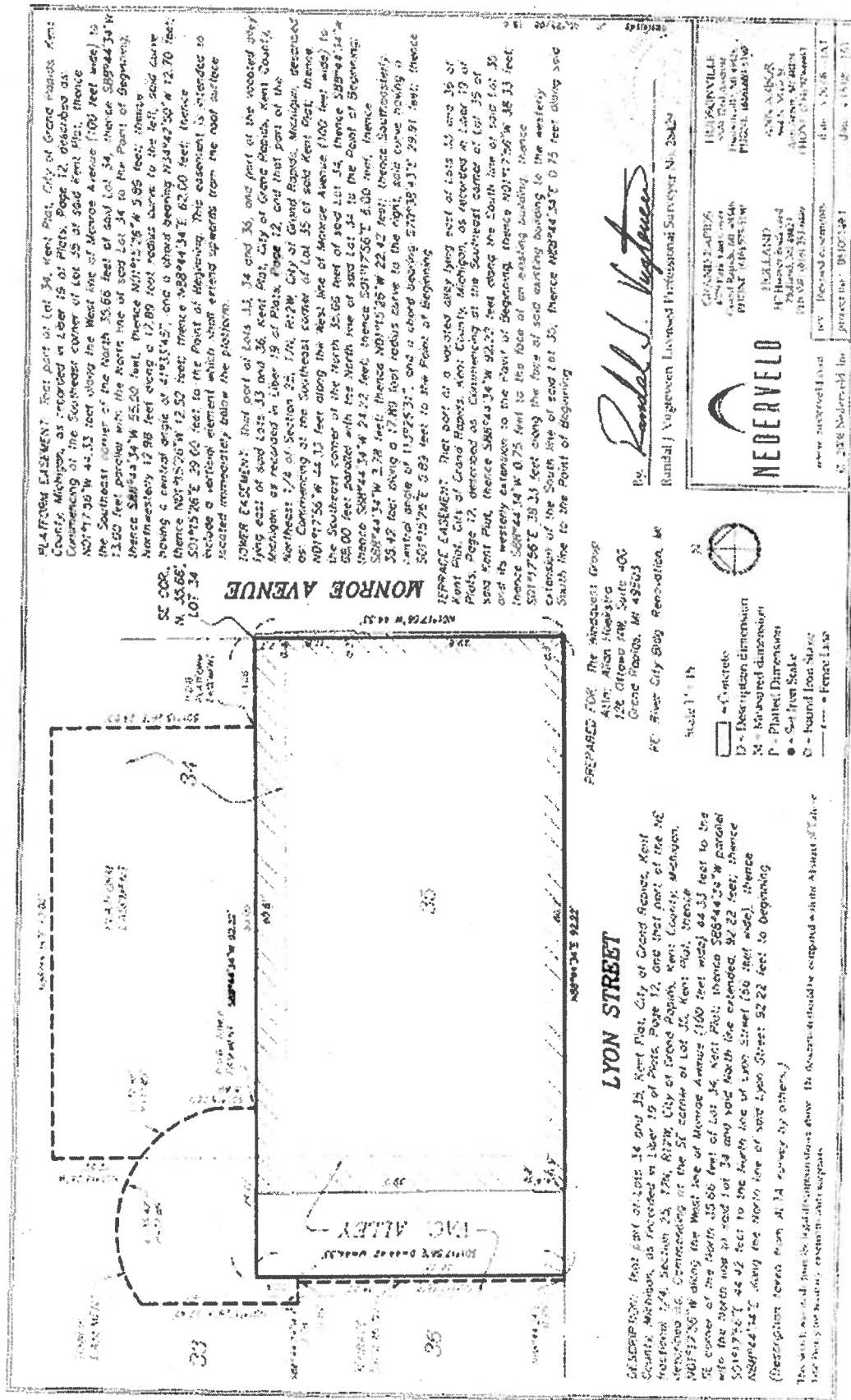
Renovation
2000-2001
River City Building
via

Via Design Inc.
2000-2001
2000-2001
2000-2001
2000-2001

EXHIBIT D

Includes "Platform Easement" described/depicted on the attached Nederveld Survey (Project No. 08100149.1) and area depicted on attached Via Design drawing.

D-2



131

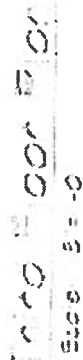


EXHIBIT E

[Depiction of "view line" from Monroe Avenue]

(See attached Via Design drawings)

River City Building
Renovation

1. VISION
2. ANALYSIS
3. DESIGN
4. CONSTRUCTION

via

At Design Inc.
1000 North 1st
Suite 1000
Minneapolis, MN 55401
612.338.1234
www.atdesign.com

EXHIBIT F

Terrace Easement Area

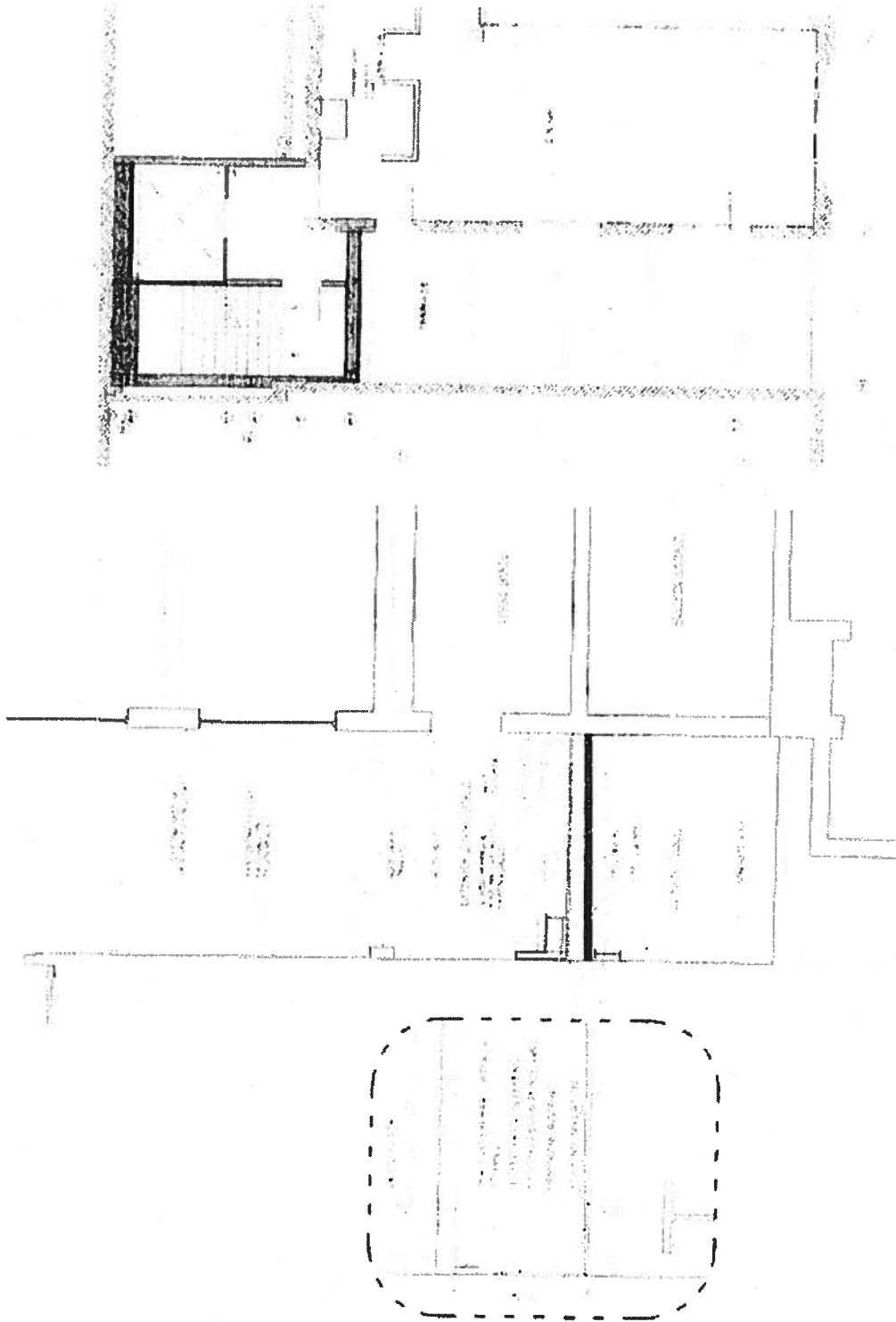
Includes "Terrace Easement" described/depicted on the attached Nederveld Survey (Project No. 08100149.1) and area depicted on attached Via Design drawing.

River City Building
Renovation

SECTION A

via

1. Existing
2. Proposed
3. Elevation
4. Section



ALLEY TERRACE PLAN

SECTION THRU ALLEY LOOKING NORTH

F-3

July 25, 2008
Revised August 11, 2008



1811 4 Mile Road, NE
Grand Rapids, MI 49525 2442
616 361 2664 VOICE
616 361 1493 FAX
www.progressiveae.com

Mr. Jim Watt, Assistant General Manager
SMG-Van Andel Arena/DeVos Place
130 West Fulton
Grand Rapids, MI 49503

Re: Structural Review -- River City Building Renovation Project

Dear Jim:

We have completed our review of the structural drawings and calculations provided for the renovations to the River City Building as they affect the adjacent DeVos Place structure, as you requested. In performing our review, we assessed the information provided for general compliance with the Michigan Building Code and standard engineering principals; however, a detailed assessment including calculations and analysis was not performed. Although not considered necessary, if a more in-depth analysis is desired, we would be happy to provide these services for you.

In particular, there were four areas of structural review for the affects of the new construction on the DeVos Place structure as it related to each easement, as follows:

1. Grade level easement for the alleyway to the west of the River City Building.

- There is no significant structural impact of the new construction for the grade level easement. Foundations for the new construction were positioned in such a way to minimize or eliminate any affects.

2. Terrace level easement for the alleyway to the west of the River City Building.

- There is no significant structural impact of the new construction for the terrace level easement. The new framing is self-supporting and does not impose any significant loading onto the existing structure.

3. The easement associated with new elevator and stair tower structure.

- The impact of the new elevator and stair tower was reviewed. Although the new elevator and stair tower structure is self-supporting, the foundations of the existing building were used to help support a portion of the loading from this new structure. Calculations performed by SAI were provided which indicated that the additional loading had been included, considered, and found to be acceptable. Snow drifting from the higher elevator and stair tower structure was analyzed for the additional loading on the existing roof, which was also found acceptable.

4. The easement associated with the new mechanical platform.

- The impact of the mechanical platform columns bearing atop the existing roof structure was reviewed to determine if these affects had been considered. Calculations performed by SAI were provided for this area indicating that the additional loads from that platform on the existing structure had been analyzed and found to be acceptable.

Mr. Jim Watt, Assistant General Manager
July 25, 2008 (Revised August 11, 2008)
Page 2

In summary, we have found that the affects of the renovations to the River City Building on the existing DeVos Place have been considered and addressed.

Sincerely,

PROGRESSIVE ARCHITECTURE ENGINEERING

A handwritten signature in black ink, appearing to read "Chris J. Masacek", is written over a light gray rectangular background.

Christopher J. Masacek, P.E.
Structural Engineering Discipline Leader



structural associates incorporated

August 12, 2008

Mr. Brian Barkwell
VIA Design Inc.
44 Grandville Ave. SW
Grand Rapids, MI 49503

RE: River City Building
Considerations for Adjacent Construction

Dear Brian:

There have been some questions recently regarding the consideration of the impact of the proposed addition to the River City Building on the existing adjacent building. I am writing this to explain some of the measures that SAI has implemented in the design of the River City Building addition with regard to these concerns. There are four main elements that impact the adjacent building: Mechanical Platform; Stair and Elevator Tower; Terrace; and Loading Dock. An important factor in the design of all of these elements is that SAI has had access to the original building drawings, with which we were able to accurately determine the capacity of the existing members and consider this in our design. In addition to studying the drawings, SAI also made field visits to verify the in-place construction to make sure it corresponds with the documentation.

The first item, the mechanical platform, was designed to minimize the impact of placing mechanical equipment over the existing adjacent roof. By framing the platform in such a manner that it contacts the existing structure only at the top of the existing columns, the platform impacts only the columns and foundations directly below them. One of the considerations when placing a new obstruction over an existing roof is the effect that the new construction has on drifting snow on the structure. The mechanical platform has been kept above the existing roof, allowing wind to pass through the space below negating the potential for snow drifts to occur. Once the loads from the new mechanical platform were determined, proper details were developed to carry this new load through the existing structure safely to the foundation.

The second item, the elevator and stair tower, was also designed to have minimal impact on the adjacent construction. The geometry of the tower was a major consideration in the design, as there are several major elements close to the location of the tower that were not to be disturbed if at all practical. During the development of the plan, a survey was completed of the two

buildings so that their relationship to each other could be determined as well as additional verification of the existing member sizes and locations. Once the survey was complete, the geometry of the stairwell was adjusted to fit between the elements of the building we were trying to fit between. Although the area is very congested, the effort was a success, requiring the resupport of only a few members. New piles, which will have properties similar to those used in other areas of the adjacent building, are proposed to support the new construction. These were chosen so that the long term effects of the weight of the structure on the supporting soil will result in minimal settlement and therefore help keep the old and new construction working together in harmony. Above the roof elevation, the rest of the stair and elevator tower rises above the existing construction with the exterior skin cantilevered from the core of the tower, reducing the area within the existing building that the tower impacts.

The framing for the terrace was conceived so that it also will have minimal impact on the adjacent building. The roof framing consists of steel beams supported by a girder located on the west side of the terrace, which is in turn supported by columns, one each at the north end of the building and one near the south end. The north column is part of the new stair tower. The south column is the only tie of this element to the adjacent building, as it is planned to be supported by a new pier below grade that will be tied into an existing retaining wall.

The effect of this new column on the existing structure is negligible. Because we have access to the original design drawings, we know that the wall we propose attaching to was designed as a retaining wall. This is advantageous because it means that the wall was designed to resist the load of the soil that was to be placed against it as well as support the weight of the structure above. The magnitude of the load added through the proposed column is not great when compared to the capacity of the wall and foundation already in place. Because the location of the proposed column is east of the outside face of the existing adjacent building, the load added to the wall counteracts the bending forces the wall is subjected to by the earth that it is now retaining, reducing the effect of its current loading condition.

The loading dock area under the terrace at street level is proposed to contain a loading dock and service entrance to the River City Building. The potential loading for this area will change as trucks will no longer have access to the area directly adjacent to the building to the west, lessening the magnitude of the load against the retaining wall. The one footing for the new construction in this area has been extended below the frost line and again the magnitude of the load from this footing is less than the effect of a truck driving into the alley in its current configuration.

The engineers at SAI have spent a considerable amount of time studying the adjacent building to understand its behavior and assure that the proposed construction at the River City Building will

Mr. Brain Barkwell
August 12, 2008
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have no negative effect on it. It is my hope that this level of care has been transmitted through the details contained in the documents for the new construction. If you have any questions regarding the proposed structure or would like to discuss any aspect of the project in greater detail, please do not hesitate to contact me at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Dirk A. Buttke", with a stylized flourish at the end.

Dirk A. Buttke, PE
President

Diversity Business Rationale

The demographics of West Michigan continue to change. Additionally, our client base is extending beyond our immediate area. West Michigan looks different than it did five, ten, or more years ago – and will continue to evolve over the next decade.

These differences mean substantial benefits for DeVos Place®, Van Andel Arena®, and DeVos Performance Hall. People of different backgrounds bring unique perspectives to the business challenges facing our community. Greater diversity enhances our ability to innovate and maintain a competitive edge. This ultimately benefits our employees, our valued customers, and our community.

Convention
Arena
Authority

Steven Heacock,
Chairman
Birgit Klohs
Clif Charles
Gary McInerney
George Heartwell
Joseph Tomaselli
Lew Chomberlin

Diversity Statement

We believe our future rests in our ability to embrace change and leverage diversity through leadership, education, employment, suppliers, and continued community support. We believe that diversity is critical to our business strategy and will improve our competitiveness and prospects for long-term success.

Vision Statement

To foster an inclusive environment which the unique talents and perspectives of each individual are respected, valued, understood, and leveraged.

Mission Statement

To guide the Grand Rapids-Kent County Convention/Arena Authority in establishing a visible commitment to diversity that will support our vision, our business strategies, our board behavior, relationships with customers, suppliers, and our communities in a manner that enables our organization to reach our full potential and, in so doing, maximizes value to our clients and the community we serve.



Van Andel Arena®
130 Fulton West
Grand Rapids, MI 49503-2601
616.742.6600
Fax 616.742.6197

DEVOS PLACE

DeVos Place®
303 Monroe Ave. NW
Grand Rapids, MI 49503-2233
616.742.6500
Fax 616.742.6590

DATE	EVENT	EC	MOD	ROOM	TIME	FUNCTION
Wed, Aug 20	GR Sports Hall of Fame	MJD		Concourse/ All Banquet	12:00 PM	Client arrival/Walk-thru
Thur, Aug 21	GR Sports Hall of Fame	MJD		Concourse All Banquet Huntington Club	5P-7P 7P-9P 8:15 PM	Banquet Induction ceremony Photo session
Fri, Aug 22	Available					
Sat, Aug 23	Available					
Sun, Aug 24	Available					
Mon, Aug 25	Available					
Tue, Aug 26	Staffing, Inc.	MJD		Banquet B	9:00 AM	Diversity training
Wed, Aug 27	Available					
Thur, Aug 28	Available					
Fri, Aug 29	Available					
Sat, Aug 30	Available					
Sun, Sep 1	Available					
Mon, Sep 2	Closed – Labor Day Holiday					
Tue, Sep 3	American Idols	RS		Arena	7:00 PM	Performance
Wed, Sep 4	Available					
Thur, Sep 5	Available					
Fri, Sep 6	Available					
Sat, Sep 7	Available					
Sun, Sep 8	Available					
Mon, Sep 9	Savor...Grand Rapids	MJD		Banquet B	5:00 PM	TIPS training
Tue, Sep 10	SMG	DG		Huntington Club	12:00 PM	Suite Administrators Luncheon
		MJD		Banquet C	12:00 PM	Group Sales Luncheon
	Savor...Grand Rapids			Banquet D	1:00 PM	TIPS training
Wed, Sep 11	Professional Bull Riders	RS		Arena	8:00 AM	Dirt load-in
Thur, Sep 12	Professional Bull Riders	RS		Arena	7:30 PM	Performance
Fri, Sep 13	Professional Bull Riders	RS		Arena	7:30 PM	Performance
Sat, Sep 14	Professional Bull Riders	RS		Arena	8:00 AM	Dirt load-out
Sun, Sep 15	Available					
Mon, Sep 16	Ringling Bros. Circus	RS		Arena	8A-5P	Load-in
Tue, Sep 17	Ringling Bros. Circus	RS		Arena	8A-5P	Load-in
Wed, Sep 18	Ringling Bros. Circus	RS		Arena	7:00 PM	Performance
Thur, Sep 19	Ringling Bros. Circus	RS		Arena	7:00 PM	Performance
Fri, Sep 20	Ringling Bros. Circus	RS		Arena	7:00 PM	Performance
Sat, Sep 21	Ringling Bros. Circus	RS		Arena	11:00 AM 3:00 PM 7:00 PM	Performance Performance Performance
Sun, Sep 22	Ringling Bros. Circus	RS		Arena	2:00 PM	Performance

DEVOS PLACE® - SEPTEMBER 2008

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURITY
MON. SEPT 1	LABOR DAY - OFF								
TUES. SEPT 2									
WED. SEPT 3									
THURS. SEPT 4									
FRI. SEPT 5	THE GAME	BALL C-D	6:00PM-11:59PM	SETUP					
SAT. SEPT 6	THE GAME	BALL C-D	8:00AM-11:59PM	MEETING					
	MIKE EPPS AND FRIENDS	DVPH	12P-5P 8:00P - 10:30P	MOVE IN PERFORMANCE	AK	USHERS AS NEEDED 6 TIX 1 COAT	2 EMT 6:30P-11P	2 TRAFFIC 7P-11P	
SUN. SEPT 7									
MON. SEPT 8									
TUES. SEPT 9	GRSO DAVID'S 10 TH ANNIVERSARY	BALL A-B WELSH LOBBY SECCHIA LOBBY BALL A-B	8A-4P 5PM 5PM - 6PM 6PM - 7:30PM 8PM - 10PM	MOVE IN REGISTRATION RECEPTION DINNER/PROGRAM MOVE OUT	AK	N/A	2 EMT 5P-10:30P		1 WELSH 4P-8P INFO - UNTIL 8P
	GRSO - JOSHUA BELL	DVPH	8A-1P 2P-4:30P 8P-10P 10PM-12AM 10P-12A	MOVE IN REHEARSAL PERFORMANCE RECEPTION CHANGEOVER EXHIBIT	AK	USHERS AS NEEDED 6 TIX 1 COAT		2 TRAFFIC 7P-10:30P	1 SD 12:30P-12A 1 LOBBY 6:30P-10:30P
WED. SEPT 10	WEST MICHIGAN HOLIDAY BEVERAGE SHOW	BALL A-B			SL				
	THE RIGHT PLACE BOARD OF DIRECTOR'S MEETING	BOARDROOM	8:00AM-5:00PM	MEETING	SL				
	DVPH - REHEARSAL	DVPH	3:30P-6P 7:30P-10P	REHEARSAL REHEARSAL	AK	0	0	0	1 SD 2P-10:30P
	REAL ESTATE DISPOSITION CORPORATION	BALL C-D GG D-F	8:00AM-11:59PM 8:00AM-11:59PM	GENERAL SESSION SHOW OFFICE					
THURS. SEPT 11	WARNER, NORCROSS & JUDD	BALL A GG A-F BALL B	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	LUNCH BREAKOUTS GENERAL SESSIONS	SL				
	DVPH - REHEARSAL	DVPH	3:30P-6P 7:30P-10P	REHEARSAL REHEARSAL	AK	0	0	0	1 SD 2P-10:30P
FRI. SEPT 12	CITY MANAGER'S MEETING	RO A	8:00AM-11:00AM	MEETING	RC	None	None	None	None
	CORNERSTONE UNIVERSITY	BALL A-D	8:00AM-11:59PM	MEETING	RC	None	None	None	Welsh Host Desk Lyon Dock
	DVPH - CLASSICAL I	RECITAL HALL DVPH	7P-7:30P 8P-10P	UPBEAT PERFORMANCE	AK	USHERS AS NEEDED 6 TIX 1 COAT 6:30P-10:30P	2 EMT 6:30P-11P	2 TRAFFIC 6:30P-10:30P	1 SD 6:30P-11P 1 FOH 6:30P-10:30P
	PRIMERICA	GG A-B	8:00AM-11:59PM	MEETING					
SAT. SEPT 13	DVPH - CLASSICAL I	RECITAL HALL DVPH	7P-7:30P 8P-10P 10P-12A	UPBEAT PERFORMANCE MOVE OUT	AK	USHERS AS NEEDED 6 TIX	2 EMT 6:30P-11P	2 TRAFFIC 6:30P-10:30P	1 SD 6:30P-11P 1 FOH

SEPTEMBER 2008

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURITY
						1 COAT 6:30P-10:30P			6:30P-10:30P
	PRIMERICA	GG E-F BALL C-D	8:00AM-11:59PM 8:00AM-11:59PM	MEETING MEETING					
SUN. SEPT 14									
MON. SEPT 15	INTERNTL. COUNCIL OF SHEET METAL PRESSWORK ASSOC.	BALL A BALL C BALL D		GENERAL SESSION EXHIBIT LUNCH	SL				
	VAN EERDEN CO. FOOD SHOW	EH C	8:00AM-5:00PM	SETUP	CG	None	None	None	MI Dock (3) Host Desk
TUES. SEPT 16	INTERNTL. COUNCIL OF SHEET METAL PRESSWORK ASSOC.	BALL A BALL C BALL D		GENERAL SESSION EXHIBIT LUNCH	SL				
	VAN EERDEN CO. FOOD SHOW	EH C	5:00AM-5:00PM	EXHIBIT	CG	None	None	None	MI Dock (3) Host Desk
	AMCON	EH A	8:00AM-11:59PM	SETUP	CG	None	None	None	Host Desk MI Dock (3) Freight Elevator Night Guard
	YOUNG PRESIDENT'S ORGANIZATION	RO A-B	7:00AM-4:00PM	MEETING	RC	None	None	None	Welsh Lobby Host Desk
WED. SEPT 17	INTERNTL. COUNCIL OF SHEET METAL PRESSWORK ASSOC.	BALL C BALL D		EXHIBIT LUNCH	SL				
	2008 MGMA FALL CONFERENCE	BALL B BOARDROOM BALL C-D P-FUNC		EXHIBIT BOARDROOM REGISTRATION	SL				
	AMCON	EH A GG A-B	8:00AM-11:59PM 8:00AM-11:59PM	EXHIBIT BREAKOUT ROOM		None	None	None	Host Desk MI Dock (3) Freight Elevator Badge Checker Night Guard
	HIGH KINGS	RECITAL HALL DVPH/LYON DOCK DVPH DVPH/LYON DOCK	ALL DAY 11AM-6PM 8P-9:45P 9:45P-12A	CATERING MOVE IN PERFORMANCE MOVE OUT	AK	USHERS AS NEEDED 6 TIX 1 COAT 6:30P-10P	2 EMT 6:30P-10:30P	2 TRAFFIC 6:30P-10P	
	GR AREA CHAMBER OF COMMERCE REGIONAL POLICY CONF.	BALL A	8:00AM-11:59PM	SETUP	RC	None	None	None	Welsh Lobby Lyon Dock
THURS. SEPT 18	2008 MGMA FALL CONFERENCE	RO A-D BALL B BALL C BOARDROOM BALL C-D P-FUNC		BREAKOUT ROOM EXHIBIT MEETING BOARDROOM REGISTRATION	SL				
	GR AREA CHAMBER OF COMMERCE REGIONAL POLICY CONF.	SECCHIA LOBBY BALL A SECCHIA LOBBY BALL A GG A-C GG D-F	9:00AM-10:00AM 10:00AM-11:30A 11:30A-12:15PM 12:15PM-1:45PM 2:00PM-3:50PM 3:20PM-5:00PM	REGISTRATION OPENING SESSION PRE-LUNCH RECEPT. LUNCH BREAKOUT ROOM BREAKOUT ROOM	RC	None	None	None	Welsh Lobby Host Desk
	AMCON	EH A GG A-B	8:00AM-11:59PM 8:00AM-11:59PM	EXHIBIT BREAKOUT ROOM	CG	None	None	None	Host Desk MI Dock (3) Freight Elevator Badge Checker

SEPTEMBER 2008

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	SECURITY
	PRIORITY HEALTH	BOARDROOM	8:00AM-11:59PM	MEETING					
	GRSO - REHEARSAL	DVPH	8A-1P 7P-10P	MOVE IN REHEARSAL	AK	0	0	0	1 SD 5:30P-10:30P
FRI. SEPT 19	2008 MGMA FALL CONFERENCE	RO A-D BALL B BALL C RO F BALL C-D P-FUNC		BREAKOUT ROOM EXHIBIT MEETING	SL				
	METRO HEALTH HOSPITAL DINNER	BALL B-D	6:00PM-11:59PM	REGISTRATION SETUP	RC	None	None	None	Lyon Dock Welsh Lobby
	BRIDAL SHOW OF WEST MICHIGAN	EH A	8:00AM-3:00PM 3:00PM-11:59PM	SETUP EXHIBIT	SL				
	GR AREA CHAMBER OF COMMERCE REGIONAL POLICY CONF.	SECCHIA LOBBY BALL A BALL A	7:30AM-8:20AM 8:30AM-10:15AM 10:30AM-12:15P	BREAKFAST GENERAL SESSION GENERAL SESSION	RC	None	None	None	Welsh Lobby
	PRIORITY HEALTH	BOARDROOM	8:00AM-11:59PM	MEETING					
	GRSO - POPS I	DVPH	8PM-10PM	PERFORMANCE	AK	USHERS AS NEEDED 6 TIX 1 COAT 6:30P-10:30P	2 EMT 6:30P-11P	2 TRAFFIC 6:30P-10:30P	1 SD 6:30P-11P 1 FOH 6:30P-10:30P
SAT. SEPT 20	METRO HEALTH HOSPITAL DINNER	BALL A-D RO A-F	8:00AM-11:59PM 8:00AM-11:59PM	DINNER RECEPTION	RC	None	None	None	Host desk Welsh lobby Lyon Dock
	BRIDAL SHOW OF WEST MICHIGAN	EH A	8:00AM-5:00PM 5:00PM-11:59PM	EXHIBIT TEARDOWN	SL				
	GRSO - POPS I	DVPH	8PM-10PM	PERFORMANCE	AK	USHERS AS NEEDED 6 TIX 1 COAT 6:30P-10:30P	2 EMT 6:30P-11P	2 TRAFFIC 6:30P-10:30P	1 SD 6:30P-11P 1 FOH 6:30P-10:30P
SUN. SEPT 21	GRSO - POPS I	DVPH	3PM-5PM 5PM-8PM	PERFORMANCE MOVE OUT	AK	USHERS AS NEEDED 6 TIX 1 COAT 1:30P-5:30P	2 EMT 1:30P-6P	2 TRAFFIC 1:30P-5:30P	1 SD 1:30P-6P 1 FOH 1:30P-5:30P
MON. SEPT 22	BGR - AVENUE Q	DVPH	TBD	HOUSE STRIP	AK	0	0	0	1 DOCK 1 SD
TUES. SEPT 23	2008 RHS REGIONAL CONVENTION	DVPH/LYON DOCK BALL C-D	6PM-11PM	MOVE IN SETUP					
	AVENUE Q	DVPH/LYON DOCK DVPH	8A-5P 7:30P-9:45P	MOVE IN PERFORMANCE	AK	USHERS AS NEEDED 6 TIX 1 COAT 6P-10P	2 EMT 6P-10:30P	2 TRAFFIC 6:30P-10P	1 DOCK 1 SD 1 FOH
WED. SEPT 24	2008 RHS REGIONAL CONVENTION	BALL C-D		SETUP					
	AVENUE Q	DVPH	7:30P-9:45P	PERFORMANCE	AK	USHERS AS NEEDED 6 TIX 1 COAT 6P-10P	2 EMT 6P-10:30P	2 TRAFFIC 6:30P-10P	1 SD 1 FOH

SEPTEMBER 2008

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