

## Meeting of Board of Directors

Wednesday, June 25, 2003

7:30 a.m. – 9:30 a.m.

County Administration Building Board Room, 3<sup>rd</sup> Floor  
Grand Rapids, Michigan 49503

### A G E N D A

**I. Call to Order**

Convention  
Arena  
Authority

**II. Approval of May 28, 2003 Minutes** Action

**III. DeVos Place Construction Update – Erhardt/Hunt** Information

**IV. Committee Reports**

John Logie,  
Chairman  
Lew Chamberlin  
Clif Charles  
David Frey  
Steven Heacock  
Birgit Klohs  
Joseph Tomaselli

a. Building Committee Information

b. Operations Committee Information

- CVB Update

c. Finance Committee

i. Approval of Disbursements Action

ii. Approval of SMG Financial Reports Action

iii. Approval of CAA Financial Report Action

iv. Amendment to FY 2004 Budget Action

**V. Amendment No. 6 to Construction Manager Agreement** Action

**VI. SMG Report** Information

- Facilities Calendar

**VII. Resolution Approving and Authorizing Execution of  
First Amendment to Lease Agreement with DP Fox  
Football Holdings, L.L.C.\*** Action

**VIII. Other Business**

**IX. Public Comment**

**X. Adjournment**

\*Amendment to be provided at meeting



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



Grand Center  
245 Monroe Ave. NW  
Grand Rapids, MI 49503  
616.742.6600  
Fax 616.742.6590



**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
BOARD OF DIRECTORS MEETING  
Wednesday, May 28, 2003**

**I. Call to Order**

Chairman John Logie called the meeting to order at 7:35 a.m. Chairman Logie presided and Secretary/Treasurer Birgit Klohs recorded.

**Attendance**

Members Present: John Logie, Chairman  
Lew Chamberlin  
David Frey  
Birgit Klohs

Members Absent: Clif Charles  
Steve Heacock  
Joseph Tomaselli

Staff/Others:	Leann Arkema	Gilda's Club
	Rick Chapla	The Right Place Program
	David Czurak	<i>Grand Rapids Business Journal</i>
	Daryl Delabbio	Kent County
	Robert DuHadway	DK Security
	Joe Erhardt	Erhardt/Hunt Joint Venture
	Jim Gray	CAA Owner Representative
	George Helmstead	CVB
	Kurt Kimball	City of Grand Rapids
	Chris Knape	<i>The Grand Rapids Press</i>
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Steve Miller	SMG
	Dale Sommers	CAA Owner Representative
	Al Vanderberg	Kent County
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Richard Wendt	Dickinson Wright
	Robert White	Kent County
	Steve Wilson	CVB
	Casey Wondergem	VAI
	Tim Wondergem	Wondergem Consulting

**II. Minutes of Prior Meetings**

*Motion: Mr. Frey, supported by Mr. Chamberlin, moved to approve the Minutes of the April 23, 2003, meetings of the Authority. Motion carried unanimously.*

**III. Big Daddy's Doo Wop Sh' Bop Review**

For over a year talks had been underway within the CAA to make arrangements for the Van Andel Arena to host a charitable event that would raise awareness and support the needs of nonprofit organizations in West Michigan. The event, Big Daddy's Doo Wop Sh'Bop, was a '50s and '60s music revue that had won rave reviews in other cities around the country.

The planning subcommittee decided that proceeds from this inaugural fundraiser would benefit two of the area's premier nonprofit cancer research and support organizations – the Hope on the Hill Fund of the Van Andel Institute and Gilda's Club of Grand Rapids. Leann Arkema of Gilda's Club and Casey Wondergem of the Van Andel Institute attended the meeting to publicly thank the CAA for the opportunity to be a recipient of the CAA's first charitable event. The event was a huge success, raising \$73,000 for the organizations. Ms. Arkema stated that Gilda's Club serves 2,500 members from 19 counties and the money will help keep the Club's doors open this summer. Mr. Wondergem added that people are still talking about the fun they had. The event's high visibility has created awareness for cancer research. Mayor Logie applauded Rich MacKeigan's leadership in organizing the event.

#### IV. DeVos Place Construction Update

Mr. Erhardt reported that subcontractor is nearly finished with installing the signature snake light. In the grand gallery meeting rooms drywall finishing, painting, and ceiling grid installations are complete. The acoustic wall panel installation continues on the walls and on the operable partitions. The painting subcontractor continues to paint miscellaneous offices, corridors, stairwells, communications closets and bulkheads on all levels including the lower level parking area offices. Carpet is being installed on the second floor. On the lower level, the subcontractor has begun to grind the terrazzo. The escalators are just about operable. The elevators have been installed and one is operable.

The concrete subcontractor has completed the exhibit hall floor slab and the truck dock area slab on grade. The mechanical contractor has set cooling towers, chillers, and is setting air handling units that serve the exhibit hall. The high ductwork is being installed along with lighting and fire protection. Enclosure of the exhibit box is complete on the west and east sides. The north elevation is about 95% enclosed. Roofing and brick at the dock are nearly complete. At the Welsh Auditorium, asbestos abatement continues. Utility relocation and salvage activities are being planned ahead of mass demolition. Lyon Street and the Gillette Bridge will be closed Monday for phase 3 construction.

#### V. Presentation and Approval of Fiscal Year 2004 Operating Budgets

Mr. Machuta presented revised budget proposals for fiscal year 2004. The Van Andel Arena® is projected to have a surplus for the next fiscal year of \$1.5 million. The total number of event days will decrease from 335 to 292. The \$40,000 variance between net income in fiscal year 2003 and fiscal year 2004 is due to the venue's hosting Griffins playoff games this year. Playoff games are not budgeted. In fiscal year 2004, indirect expenses will increase due to the allocation of 2.5 new positions (1-sales, 1-maintenance/operations, and ½ -accounting). In response to a question from Mayor Logie, Mr. MacKeigan stated that some capital improvement projects have been deferred to 2005.

Mr. Machuta presented the budget proposal for DeVos Place. July through November includes the budget projections for the current Grand Center. The first event in the new exhibit hall takes place in early December. Due to the decrease in available rental space, the budget projects 292 events compared to 328 in fiscal year 2003. The loss of events will not impact event income, which is expected to increase \$234,000 due to the types of events that are scheduled to occur after December 1. Indirect expenses will increase dramatically due to the utility expense that is estimated at \$1.19 million, the most variable and unknown expense in the budget. Security expenses will increase because of the environment and the building's size. Almost 11 extra positions will be added, although they will be staggered through the first six months of the fiscal year. Construction costs will increase for relocating the administrative offices due to construction. Repair/maintenance and supplies expenses will also increase. The 700-space underground parking lot will not become available until year 2005. With the addition of the ballroom in 2005, expect to see an increase in concession and catering income. In the past, electrical income was outsourced to a third party vendor. With the new building, SMG will have the capability of performing that service in-house. Currently, the building receives 20¢ on the dollar, and that amount is expected to increase by one-third. The expanded exhibit hall will increase the number of tradeshow and

conventions, and a large increase at the public shows is expected due to the newness of the building. DeVos Hall will perform consistently even though it will be open for only nine months. Overall, the budget predicts a \$130,000 deficit between the two buildings. Mr. Frey inquired whether parking revenues could be an additional source of operating revenue. Mr. MacKeigan responded that parking revenues flow directly to the CAA and are not operating revenues.

*Motion: Mr. Frey, supported by Ms. Klohs, moved to approve the Fiscal Year 2004 Operating Budgets. Motion carried unanimously.*

Mr. White presented a summary of the CAA administrative costs for fiscal years 2003 and 2004. The material incorporated the facility operating revenue, expenditures, and capital replacement request submitted by SMG. The CAA will end fiscal year 2003 with a net assets balance slightly in excess of \$5 million. The CAA will end fiscal year 2004 with a net assets balance of approximately \$3.5 million. Mr. White reviewed the administrative budget and explained that revenues included a new item entitled land lease and the expenditures included a new line item for pedestrian safety.

*Motion: Mr. Frey, supported by Ms. Klohs, moved to approve the Fiscal Year 2004 Administrative Budget. Motion carried unanimously.*

## VI. Committee Reports

### Building Committee

Mr. Frey stated that the grand gallery and meeting spaces remain on track for completion as scheduled. The most exciting event of the construction project, phase 3, begins June 1 with the wholesale demolition of the Welsh Auditorium.

### Operations Committee

Mr. Chamberlin reported that Lynne Ike presented an overview of travel patterns of patrons attending events at DeVos Performance Hall and the Van Andel Arena®. The Committee agreed that Big Daddy's Doo Wop Sh'Bop was "better than our wildest dreams" with over 3,000 fans attending the concert and asked SMG to provide suggestions to formalize a charitable event. SMG has issued requests for information to DK Security and Elite Security, the security companies at the Van Andel Arena® and Grand Center. SMG would like to obtain a description of the services that they could provide for both facilities. Mr. MacKeigan is gathering policies from other SMG facilities regarding the display of artwork. Once the information is presented, the Committee will appoint a subcommittee.

Mr. Wilson reported the CVB is developing a communication piece to get local residents excited about DeVos Place. The brochure will describe the benefits of DeVos Place to the community. The CVB will celebrated its 76<sup>th</sup> anniversary yesterday by holding its annual board meeting in the Welsh Auditorium, one of the last events to be held at the Welsh before the building is demolished. The CVB has developed a new Michigan's West Coast fulfillment piece that will be sent to people who responded to the recent television and print advertising. As a result of the television ads, the CVB website receive 1 million hits in April. Mr. Wilson proudly displayed the CVB's new trade show booth that travels with sales staff to local, regional, and national trade shows. The CVB is working with Steelcase and Progressive AE to host an event in Washington, D.C. to showcase high performance meeting spaces.

Mr. Helmstead reported that 66 groups have been booked for DeVos Place that will bring in a total of 148,950 delegates and have total direct expenditures of \$29,040,719. In mid-June, the CVB is hosting a press tour for the national media. Since January 1, the CVB sales staff has booked eight groups with a total of 9,400 delegates. CVB staff is also working on the fall FAM tour, which will take place in

conjunction with Muskegon's Tall Ships festival. Mr. Helmstead introduced the CVB sales team: Maria Brondyke, Mike Guswiler, Leslie Fritz, and Aug Schneider.

Finance Committee

Mr. Machuta and Mr. White presented the Finance Committee report.

- a. Approval of Disbursements and Payroll for the Period April 18 – May 14, 2003

*Motion: Ms. Klohs, supported by Mr. Frey, moved to approve payment of disbursements and payroll totaling \$4 280,298.37. Motion carried unanimously.*

- b. Approval of SMG Financial Statements for the Grand Center and Van Andel Arena

*Motion: Ms. Klohs, supported by Mr. Frey, moved to approve the SMG Financial Statements for the Van Andel Arena and Grand Center for the period ended April 30, 2003. Motion carried unanimously.*

- c. Approval of CAA Preliminary Financial Statements Prepared by Beene Garter LLP

*Motion: Mr. Frey, supported by Ms. Klohs, moved to approve the Grand Rapids – Kent County Convention/Arena Authority Financial Statements for the period ended April 30, 2003. Motion carried unanimously.*

- d. Approval of Additional Directors & Officers Liability Insurance Coverage

Mr. White stated that Arthur J. Gallagher has submitted a quote for the remaining \$3 million excess coverage that would bring total combined policy limits to the original \$10 million, as originally solicited by the CAA. The policy was quoted at \$6,000 plus 2.5% surplus line tax and possibly a \$100 state fee. After conferring with Finance Committee Chairman Steve Heacock, Mr. white committed to the policy on behalf of the CAA.

*Motion: Mr. Chamberlin, supported by Ms. Klohs, moved to approve the additional Directors and Officers liability insurance coverage with Arthur J. Gallagher. Motion carried unanimously.*

- e. Heartside District Parking Study Request

Mr. White reported that Mr. Chapla attended the last Finance Committee meeting to request that the CAA help fund the Heartside Parking Study in the amount of \$50,000. The cost of the study is \$140,000 approximately. The study area to be included is Fulton Street on the north, Lafayette on the east, the Grand River on the west, and Wealthy Street on the south. The DDA has approved \$50,000 towards the funding and would like the study area expanded to include central downtown. Grass roots efforts have raised \$30,000-\$40,000 and the Parking Commission will fund \$50,000. After a thorough review of the issues, the Finance Committee decided that, although the CAA would like to participate in the study, budget constraints prohibit the CAA from making a financial contribution. The CAA concurred with the decision of the Finance Committee.

VII. Resolution Approving and Authorizing the Execution of DeVos Place Logo Agreement with Hānon McKendry, Inc.

Attorney Wendt recommended approval of a resolution to approve and authorize the execution of the DeVos Place Logo Agreement. The Agreement sets fort the rights of ownership and use of the DeVos Place Logo created by Hānon McKendry, Inc.

*Motion: Mr. Frey, supported by Ms. Klohs, moved to approve the Resolution Approving and Authorizing the Execution of DeVos Place Logo Agreement with Hānon McKendry, Inc. Motion carried unanimously.*

VIII. SMG Report

Facilities Calendar

Mr. MacKeigan reported that summer at the Van Andel Arena® promises something for everyone. Events include Davenport University commencement ceremony, Quixtar major event, Styx/REO/Journey, Fleetwood Mac, Mormon Tabernacle Choir, John Mayer/Counting Crows, Ringo Starr, and Cher. SMG offices at the Grand Center have relocated to the River City Building, 4<sup>th</sup> floor.

IX. Other Business

The July 23, 2003, CAA Board meeting has been canceled.

X. Public Comments

None.

XI. Adjournment

There being no other business, the meeting adjourned at 8:55 a.m.

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Birgit M. Klohs, Recording Secretary

**BUILDING COMMITTEE REPORT**  
**To**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**June 25, 2003**

Following is a summary of each of the major zones, areas and phases of the project with a narrative of the major work activities in each.

**GRAND GALLERY**

Bay Area Interiors, our subcontractor continues to grind the epoxy terrazzo system. They have completed the intricate layout throughout the space and have placed 80% of the terrazzo mix. Painting of the overhead exposed structure is complete along with the installation of the snake light. The exterior sections of the canopies have received paint and lighting.

In the Meeting Rooms, drywall finishing, painting and ceiling grid installations are complete. The acoustic wall panel installation is nearly complete on the Meeting Level.

H & H, the painting sub continues to paint miscellaneous offices, corridors, stairwells, communication closets and bulkheads on all levels including the lower parking area offices, and is applying finish coats and vinyl wall coverings in these areas as well.

Ceramic tile installations are complete in the Meeting Level, Street Level and Parking Level Restrooms. Toilet partitions and fixtures are beginning to be installed.

The Grand Gallery drywall hanging is complete with the exception of elevator lobbies, which are in process. Finishing of the sloped wall is in process and nearing completion. Andy J. Egan Mechanical Co. and ElecTech are complete with the HVAC systems that serve most of the Grand Gallery. When utilities are in place the equipment will be run to condition the space this summer.

Overall the Grand Gallery and Meeting spaces remain on track for completion as scheduled.

**EXHIBIT HALL**

Kent/Tillman LLC, the concrete subcontractor has completed the Exhibit Hall floor slab and the truck dock area slab on grade. They are now placing exterior concrete and will soon be complete with their portion of the work.

Andy J. Egan Mechanical has set cooling towers, chillers and is setting air handling units that serve the Exhibit Hall. Piping of these units is ongoing. Target Sheet Metal, Inc. has installed the high ductwork in the Exhibit Hall along with the lighting and fire protection subcontractors.

The enclosure of the Exhibit Box is complete on the East side, and West sides. Soffits, trim and column covers will continue on the East and West, while metal panels continue on the North. The north elevation is approximately 95% enclosed. Roofing and brick at the dock are complete.

### SITE WORK

Work has begun along Michigan Street and in front of DeVos Hall. These areas, along with the Monroe drop off lane are to be completed the fall of 2003. Planter Wall construction along the West side of the Exhibit Hall began in April and continues.

### PHASE 3

In the Welsh Auditorium, which is to be fully demolished this summer, asbestos abatement continued this month. Selective demo utility relocation and salvage activities are being planned ahead of mass demo. All these activities are scheduled to begin in early June. The temporary egress items put in place were accepted for public use by the fire marshal on 05/30/03.



# MEMORANDUM

CITY OF GRAND RAPIDS

DATE: June 13, 2003

TO: Steve Heacock  
Grand Rapids - Kent County Convention / Arena Authority  
Finance Committee Chair

FROM: Jana M. Wallace *gmw*  
Fiscal Services Analyst

**SUBJECT: Monthly Disbursements Report**

Attached for your review are the lists of invoices processed for payment during the most recent period. Expenditures for the period are summarized below.

Dates checks were issued	Operating Fund	Construction Fund
May 28, 2003	\$ 8,827.73	\$ 122,942.09
June 13, 2003	109,235.63	4,019,764.91
Payroll date – 05/16/2003	2,033.96	--
Payroll date – 05/30/2003	1,920.76	--
<b>Disbursements from C/AA Funds</b>	<b>\$ 122,018.08</b>	<b>\$4,142,707.00</b>

Total disbursements for the Grand Rapids - Kent County Convention / Arena Authority during the period May 16 through June 13, 2003, were \$4,264,725.08.

Please call me at 456-4514 if you need additional information.

Attachments

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

List of Invoices Processed for Payment on June 13, 2003, as Authorized by the Current Bookkeeping Policy

Payee		Amount	Invoice Date	Description of materials acquired / services received
<b>Invoices Submitted by Project Manager</b>				
C	Erhardt - Hunt: A Joint Venture	\$ 3,855,505.00	05/31/2003	Progress pmt # 30: Construction - general / masonry / electrical
C	GR-KC C/AA Retainage Account	113,992.00	05/31/2003	Retainage for progress payment # 30
C	Feyen-Zylstra Inc	15,633.00	05/22/2003	Infrastructure cabling project - copper / fiber cabling
C	J P Gray Consulting Inc	9,262.50	06/05/2003	Project management services - May 2003
C	Jerry G Fellinger, Fire / Secur Sys	800.00	06/02/2003	Security system consulting / meetings - May 2003
C	Materials Testing Consultants Inc	13,572.41	06/05/2003	Construction phase services - May 2003
C	Sommers, Dale H	11,000.00	05/31/2003	Project management services - May 2003
	<b>Sub-Total - Invoices Submitted by Project Manager</b>	<b>\$ 4,019,764.91</b>		
<b>Invoices Submitted by City Fiscal Services</b>				
O	BDO Seidman LLP	\$ 3,000.00	05/21/2003	Assistance with preparation of June 30, 2002, year-end smtms
O	Consumers Energy	24,827.80	05/07/2003	Electrical services for Grand Center - April 2003
O	Consumers Energy	1,535.07	05/27/2003	Electrical services for Skywalk - May 2003
O	Consumers Energy	33,132.20	05/28/2003	Electrical services for Arena - May 2003
O	Grand Rapids City Treasurer	30.25	05/29/2003	Fire protection water line for Grand Center - June - Aug 2003
O	Grand Rapids City Treasurer	48.39	05/29/2003	Fire protection water line for Grand Center - June - Aug 2003
O	Grand Rapids City Treasurer	3,812.62	05/30/2003	Water and sewer services for Arena - May 2003
O	Grand Rapids City Treasurer	123.60	05/29/2003	Water services for Arena - May 2003
O	Grand Rapids City Treasurer	48.39	05/29/2003	Fire protection water line for Grand Center - June - Aug 2003
O	Grand Rapids City Treasurer	48.39	05/29/2003	Fire protection water line for Grand Center - June - Aug 2003
O	Grand Rapids City Treasurer	1,765.41	05/22/2003	Water and sewer services for Grand Center - May 2003
O	Grand Rapids City Treasurer	30.25	05/29/2003	Fire protection water line for Grand Center - June - Aug 2003
O	ICMA Retirement Corporation - 401A	240.00	05/16/2003	Admin mgr's 401A - employer/employee contribs for 05/16/03 payroll
O	ICMA Retirement Corporation - 401A	240.00	05/30/2003	Admin mgr's 401A - employer/employee contribs for 05/30/03 payroll
O	ICMA Retirement Corporation - 457	160.00	05/16/2003	Admin manager's 457 - employee contrib for 05/16/03 payroll
O	ICMA Retirement Corporation - 457	160.00	05/30/2003	Admin manager's 457 - employee contrib for 05/30/03 payroll
O	Kent County Dept of Public Works	819.93	05/30/2003	Skywalk steam services - May 2003
O	Kent County Dept of Public Works	14,845.00	05/30/2003	Grand Center steam services - May 2003
O	Kent County Dept of Public Works	17,935.89	05/30/2003	Arena steam services - May 2003
O	PricewaterhouseCoopers LLP	6,000.00	04/28/2003	Audit of 6/30/2002 year end financial statements - Pmt # 1
O	Rapid Hot Coffee Service	27.68	05/28/2003	Beverages / snacks for May 28, 2003 board meeting
O	Warner Norcross & Judd LLP	404.76	05/13/2003	Legal services re DeVos Place trademark - thru 04/30/2003
	<b>Sub-Total - Invoices Submitted by City Fiscal Services</b>	<b>\$ 109,235.63</b>		
	<b>Total Invoices Submitted for Payment from Construction Account</b>	<b>\$ 4,019,764.91</b>		
	<b>Total Invoices Submitted for Payment from Operating Account</b>	<b>\$ 109,235.63</b>		
	<b>Total Invoices Processed for Payment</b>	<b>\$ 4,129,000.54</b>		

C = Convention Center construction related expenses  
O = Non-construction / operating expenses

# GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

List of Invoices Processed for Payment on May 28, 2003, as Authorized by the Current Bookkeeping Policy

Payee		Amount	Invoice Date	Description of materials acquired / services received
<b>Invoices Submitted by Project Manager</b>				
C	Carl Walker Inc	\$ 482.40	04/30/2003	Loading dock evaluations
C	Feyen-Zylstra Inc	11,646.00	05/11/2003	Infrastructure cabling project - copper / fiber cabling
C	Nextel Communications	121.38	05/06/2003	Owner's representatives cellular phone charges thru 05/06/2003
C	Progressive AE	74,383.59	05/08/2003	Architectural design services - April 2003
C	Progressive AE	12,420.00	05/05/2003	On-site architect's representative - April 2003
C	Progressive AE	16,999.15	05/05/2003	Owner requested changes - April 2003; 1 of 4
C	Progressive AE	1,225.00	05/05/2003	Owner requested changes - April 2003; 2 of 4
C	Progressive AE	1,904.45	05/05/2003	Owner requested changes - April 2003; 3 of 4
C	Progressive AE	3,760.12	05/05/2003	Owner requested changes - April 2003; 4 of 4
	<b>Sub-Total - Invoices Submitted by Project Manager</b>	<b>\$ 122,942.09</b>		
<b>Invoices Submitted by City Fiscal Services</b>				
O	Arthur J. Gallagher Risk Mgmt Serv	6,000.00	05/13/2003	Directors and officers liability policy \$3M bal - 4/25/03-4/25/04
O	Beene Garter LLP	595.00	05/16/2003	Bookkeeping services through May 15, 2003
O	Dickinson Wright PLLC	409.00	04/30/2003	Legal services re Grand Action payment schedule - March 2003
O	Dickinson Wright PLLC	1,518.00	04/30/2003	Legal services re operating matters - March 2003
O	Priority Health	278.05	05/14/2003	Insurance benefits for administrative manager - June 2003
O	Rapid Hot Coffee Service	27.68	01/22/2003	Beverages / snacks for January 22, 2003 meeting
	<b>Sub-Total - Invoices Submitted by City Fiscal Services</b>	<b>\$ 8,827.73</b>		
	<b>Total Invoices Submitted for Payment from Construction Account</b>	<b>\$ 122,942.09</b>		
	<b>Total Invoices Submitted for Payment from Operating Account</b>	<b>\$ 8,827.73</b>		
	<b>Total Invoices Processed for Payment</b>	<b>\$ 131,769.82</b>		

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C = Construction related expenses  
O = Operating / non-construction expenses



## GRAND CENTER

FINANCIAL STATEMENT  
FOR THE PERIOD ENDED MAY 31, 2003

Distribution:

Grand Rapids – Kent County Convention / Arena Authority  
Robert White  
Glen Mon  
Bob Johnson  
Gary McAneney  
John Szudzik  
Richard MacKeigan  
Chris Machuta



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*An SMG Managed Facility*

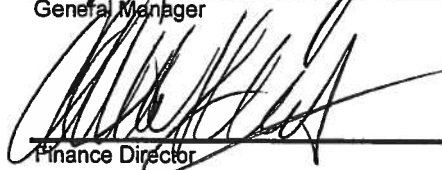
GRAND CENTER  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2003

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	345	9	354	305	49
ATTENDANCE	465,519	6,150	471,669	449,307	22,362
DIRECT EVENT REVENUE	1,465,391	31,932	1,497,323	1,297,805	199,518
ANCILLARY REVENUE	539,492	2,645	542,137	491,054	51,083
TOTAL EVENT REVENUE	2,004,883	34,577	2,039,460	1,788,859	250,601
TOTAL OTHER REVENUE	107,265	12,586	119,851	203,000	(83,149)
TOTAL OPERATING REVENUE	2,112,148	47,163	2,159,311	1,991,859	167,452
INDIRECT EXPENSES					
EXECUTIVE	103,283	10,125	113,408	86,064	(27,344)
FINANCE	147,645	15,784	163,429	142,850	(20,579)
MARKETING	62,563	13,560	76,123	146,847	70,724
OPERATIONS	380,561	55,410	435,971	480,979	45,008
EVENT SERVICES	420,885	40,069	460,954	447,613	(13,341)
BOX OFFICE	69,215	5,230	74,445	57,425	(17,020)
OVERHEAD	966,724	125,320	1,092,044	990,049	(101,995)
TOTAL OPERATING EXP.	2,150,876	265,498	2,416,374	2,351,831	(64,547)
NET REVENUE ABOVE EXPENSES	(38,727)	(218,335)	(257,063)	(359,972)	102,905
CAPITAL	4,528		4,528	62,000	(57,472)
NET OPERATING REVENUE OVER OPERATING EXPENSES	(43,255)	(218,335)	(261,591)	(421,972)	160,377

Comments:

The Grand Center performed ahead of budget for May as the Theater was host to Bear in the Big Blue House (unbudgeted), and spending for the Michigan Dental and Michigan Credit Union League events was much higher than anticipated. The estimated forecast from the April statements held to form and with little event activity for June, revised numbers show the Grand Center finishing the fiscal year about \$100,000 ahead of budget.

  
General Manager

  
Finance Director

**GRAND CENTER  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED MAY 31, 2003**

The following schedule summarizes operating results for the current month ending and the YTD ending June 30, 2003, compared to budget and to the prior year:

<b>MONTH</b>	<b>May Actual</b>	<b>May Budget</b>	<b>May FY 2002</b>
Number of Events	40	31	29
Attendance	51,489	52,050	28,859
Direct Event Income	\$151,816	\$115,139	\$76,245
Ancillary Income	67,564	34,604	35,565
Other Income	11,644	16,917	4,860
Indirect Expenses	(216,661)	(196,511)	(236,776)
Net Income	\$14,363	(\$29,851)	(\$120,106)

<b>YTD</b>	<b>YTD 2003 Actual</b>	<b>YTD 2003 Budget</b>	<b>YTD 2002 Prior Year</b>
Number of Events	345	301	366
Attendance	465,519	444,207	473,124
Direct Event Income	\$1,465,391	\$1,279,665	1,401,173
Ancillary Income	539,492	484,508	569,348
Other Income	107,265	186,087	113,412
Indirect Expenses	(2,150,875)	(2,161,621)	(2,023,952)
Net Income	(\$38,727)	(\$211,361)	\$59,981
Less Capital	(\$4,528)		(\$47,841)
Net Income after Capital	(\$43,255)	(\$211,361)	\$12,140

**EVENT INCOME**

Event income came in above budget, however, consistent with the April forecast. The Theater hosted a family show that was unbudgeted, in addition to a shifting of the Spartan Stores event that was originally budgeted in April.

**ANCILLARY INCOME**

Ancillary income came in above budget for the month. Spending on Decorating for the events hosted during the month was much greater than anticipated.

**INDIRECT EXPENSES**

Expenses came in higher than budget, however, again consistent with April forecast. Most of the increase was due to higher labor relating to the June 1, 2003 closure of Welsh and West Hall's.

GRAND CENTER  
FACILITY STATEMENT OF INCOME  
PERIOD ENDING 05/31/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						
-----						
DIRECT EVENT INCOME						
RENTAL INCOME	142,646	96,925	83,029	1,418,006	1,215,630	1,365,630
SERVICES INCOME	9,170	18,214	<6,783>	47,385	64,035	35,543
TOTAL DIRECT EVENT INCOME	151,816	115,139	76,245	1,465,391	1,279,665	1,401,173
ANCILLARY INCOME						
-----						
FOOD & BEVERAGE	19,137	8,968	16,091	181,443	172,363	192,565
NOVELTY	1,286	1,250	3,650	20,837	15,200	39,051
TELECOMMUNICATIONS	0	0	152	1,747	0	8,513
ELECTRICAL	3,707	1,650	570	26,685	26,150	32,808
OTHER ANCILLARY	43,434	22,736	15,102	308,780	270,795	296,411
TOTAL ANCILLARY INCOME	67,564	34,604	35,565	539,492	484,508	569,348
TOTAL EVENT INCOME	219,380	149,743	111,811	2,004,883	1,764,173	1,970,521
OTHER OPERATING INCOME	11,644	16,917	4,860	107,265	186,087	113,412
ADJUSTED GROSS INCOME	231,024	166,660	116,670	2,112,148	1,950,260	2,083,933
INDIRECT EXPENSES						
EXECUTIVE	9,949	7,172	9,872	103,283	78,892	83,983
FINANCE	16,422	11,904	13,901	147,645	130,944	120,530
MARKETING	17,024	12,236	3,424	62,563	134,596	37,564
OPERATIONS	37,840	40,083	42,043	380,561	440,913	469,229
EVENT MANAGEMENT	43,529	37,826	58,370	420,885	416,086	333,963
BOX OFFICE	7,796	4,785	7,025	69,215	52,635	45,107
OVERHEAD	84,100	82,505	102,141	966,724	907,555	933,576
INDIRECT EXPENSES	216,661	196,511	236,776	2,150,875	2,161,621	2,023,952
NET OPERATING INCOME	14,363	<29,851>	<120,105>	<38,727>	<211,361>	59,981
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	0	4,528	0	47,841
OTHER EXPENSES	0	0	0	4,528	0	47,841
NET INCOME (LOSS)	14,363	<29,851>	<120,105>	<43,255>	<211,361>	12,140
=====	=====	=====	=====	=====	=====	=====

GRAND CENTER  
STATEMENT OF SERVICES INCOME  
PERIOD ENDING 05/31/03

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	4,012	0	5,451	43,876	0	111,923
Stagehands Billed	103,990	105,900	60,679	689,839	741,700	791,343
Security Billed	8,084	5,695	2,822	84,547	108,745	105,218
Ushers & Tix Takers Billed	15,018	16,780	8,332	127,234	134,080	140,199
Box Office Billed	1,800	1,900	1,400	17,850	22,300	24,527
Ticketing Service Billed	24,488	25,800	9,272	149,445	164,600	180,641
Utilities Billed	0	0	0	2,200	0	5,470
City Police Fire Billed	1,116	1,500	496	16,639	7,774	20,321
Traffic Control Billed	247	200	299	11,808	17,370	19,138
EMT Medical Billed	2,007	2,000	1,179	21,455	20,695	22,989
Cleaning Billed	0	0	0	378	0	2,770
Insurance Billed	0	0	233	2,049	0	1,275
Group Sales Commissions Billed	0	0	0	0	0	889
Telephone Billed	2,271	675	335	27,880	12,300	11,579
Damages Billed	0	0	0	193	0	71
Other Production Billed	664	0	3,403	32,738	0	66,763
<b>TOTAL SERVICE INCOME</b>	<b>163,698</b>	<b>160,450</b>	<b>93,902</b>	<b>1,228,130</b>	<b>1,229,564</b>	<b>1,505,114</b>
Advertising Expense	4,012	0	5,451	41,358	0	102,765
Stagehand Wages	102,907	102,724	60,375	669,282	719,459	786,803
Security Wages	0	0	0	0	0	7,722
Contracted Security Expense	8,084	5,695	2,673	84,553	108,745	97,511
Ushers & T/T Wages	10,513	11,746	5,832	89,064	93,857	98,140
Ticket Sellers Wages	1,720	1,565	870	20,105	18,070	17,402
Ticket Service Charge Expense	11,301	9,031	4,856	46,350	49,629	62,102
City Police Fire Expense	1,181	1,500	496	16,399	6,474	20,321
Traffic Control Expense	1,971	1,100	825	29,496	34,835	36,797
EMT Medical Expense	1,427	2,000	905	16,216	20,695	16,778
Cleaning Wages	10,018	6,875	11,546	130,533	113,765	152,617
Contracted Cleaning Expense	0	0	0	0	0	2,083
Insurance Expense	251	0	55	1,364	0	899
Allocated Telephone Expense	568	0	0	5,794	0	0
Production Expense	574	0	6,802	30,232	0	67,633
<b>TOTAL SERVICE EXPENSE</b>	<b>154,528</b>	<b>142,236</b>	<b>100,685</b>	<b>1,180,745</b>	<b>1,165,529</b>	<b>1,469,571</b>
<b>NET SERVICE INCOME</b>	<b>9,170</b>	<b>18,214</b>	<b>&lt;6,783&gt;</b>	<b>47,385</b>	<b>64,035</b>	<b>35,543</b>
	=====	=====	=====	=====	=====	=====



GRAND CENTER  
STATEMENT OF FINANCIAL POSITION  
PERIOD ENDING 05/31/03

ASSETS

CURRENT ASSETS

CASH	1,556,455
ACCOUNTS RECEIVABLE	391,456
PREPAID EXPENSES	64,492
	-----
TOTAL CURRENT ASSETS	2,012,403
	-----

FIXED ASSETS

TOTAL ASSETS	2,012,403
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	334,361
ACCRUED EXPENSES	82,673
ADVANCED TIX SALES & DEPOSITS	146,973
	-----
TOTAL CURRENT LIABILITIES	564,007
	-----

EQUITY

FUNDING RECEIVED	538,802
RETAINED EARNINGS	952,849
NET INCOME (LOSS)	<43,255>
	-----
TOTAL EQUITY	1,448,396
	-----

TOTAL LIABILITIES & EQUITY	2,012,403
	=====

GRAND CENTER  
INDIRECT EXPENSE SUMMARY  
PERIOD ENDING 05/31/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	66,094	46,990	60,101	535,547	516,890	469,525
Part-Time	18,693	11,275	15,051	148,506	124,025	149,334
Wages-Trade	122,586	95,565	98,577	899,790	1,051,215	1,018,248
Auto Allowance	1,521	1,816	0	16,729	19,976	0
Auto Expense	0	0	1,521	0	0	16,379
Taxes & Benefits	40,994	30,108	29,422	344,592	331,188	305,951
Less: Allocation/Reimbursement	<144,175>	<110,163>	<93,785>	<1,070,653>	<1,211,793>	<1,181,678>
<b>TOTAL LABOR COSTS</b>	<b>105,713</b>	<b>75,591</b>	<b>110,887</b>	<b>874,511</b>	<b>831,501</b>	<b>777,759</b>
Contracted Security	8,950	5,000	4,648	72,024	55,000	49,432
Other Contracted Services	231	183	186	2,135	2,013	1,855
Travel & Entertainment	389	792	292	4,495	8,712	5,696
Corporate Travel	0	333	454	651	3,663	2,338
Meetings & Conventions	0	1,613	0	9,872	17,743	9,396
Dues & Subscriptions	0	160	199	953	1,760	1,525
Employee Training	0	833	0	430	9,163	459
Miscellaneous Expense	0	0	0	0	0	66
Computer Expense	2,751	5,417	<468>	39,601	59,587	30,039
Professional Fees	3,896	1,730	1,730	36,407	19,030	18,753
Marketing & Advertising	2,327	1,094	<4>	14,397	12,034	10,219
Box Office Expenses	13	0	56	604	0	565
Trash Removal	3,014	2,800	837	20,793	30,800	12,295
Equipment Rental	277	375	413	5,600	4,125	3,084
Snow Removal	0	0	0	0	0	169
Exterminating	375	368	375	4,050	4,048	4,433
Cleaning	0	1,250	0	0	13,750	613
Construction Costs	3,389	0	0	5,900	0	1,350
Repairs & Maintenance	4,320	9,013	11,606	68,663	99,143	113,128
Supplies	5,082	13,098	3,178	72,558	144,078	80,461
Bank Service Charges	764	750	1,082	8,877	8,250	11,916
Insurance	12,183	8,380	9,921	112,063	92,180	110,950
Other Taxes	0	300	0	0	3,300	0
Printing & Stationary	0	731	0	238	8,041	1,224
Office Supplies	160	500	1,098	5,595	5,500	7,427
Postage	15	200	0	745	2,200	1,138
MARKET RESEARCH	0	0	0	2	0	0
Parking Expense	2,016	1,500	<929>	16,672	16,500	18,814
Telephone Long Distance	2,799	2,000	369	32,095	22,000	27,206
Utilities	39,610	43,000	41,561	538,802	473,000	458,507
Base Fee	18,956	19,500	18,750	208,518	214,500	206,250
Incentive Fee	0	0	30,535	0	0	56,885
Less: Allocated/Reimbursement	<568>	0	0	<6,376>	0	0
<b>TOTAL MATERIAL AND SERVICES</b>	<b>110,948</b>	<b>120,920</b>	<b>125,889</b>	<b>1,276,365</b>	<b>1,330,120</b>	<b>1,246,193</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>216,661</b>	<b>196,511</b>	<b>236,776</b>	<b>2,150,875</b>	<b>2,161,621</b>	<b>2,023,952</b>

**SMG - Van Andel Arena & Grand Center**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Capital Expenditures & Management Fee Summary**  
**Fiscal Year Ending June 30, 2003**

**CAPITAL IMPROVEMENTS**

	Budget	Expended	Balance	Project Status
<b>Arena</b>				
Skywalk Ice Melt System	42,000	20,610	21,390	Closed
Terazzo Floor Repair	38,000		38,000	Delay to F/Y 05
Banquet Room Refurbishment	25,000		25,000	Delay to F/Y 04
Hydraulic Seating Section	70,000		70,000	Delay to F/Y 05
Hockey Glass	20,000	16,750	3,250	Closed
Safety Nets		67,056	(67,056)	Closed
Floor Maintenance Equipment	18,500	13,992	4,508	Closed
Lobby Duct Painting	35,000	14,140	20,860	Closed
Security Gate System	120,200	70,723	49,477	Closed
<b>Total Arena</b>	<b>368,700</b>	<b>203,271</b>	<b>165,429</b>	
<b>Grand Center</b>				
Refinish DeVos Stage Floor	50,000		50,000	Delay to F/Y 05
Cyclorama for DeVos Stage House	12,000	4,528	7,472	Closed
<b>Total Grand Center</b>	<b>62,000</b>	<b>4,528</b>	<b>57,472</b>	
<b>Grand Total Capital Improvements</b>	<b>430,700</b>	<b>207,798</b>	<b>222,902</b>	

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2002 Act/Est
Net Revenue above Expenses	1,552,014	(257,063)	1,294,951	1,599,391
Benchmark	1,566,545	(359,972)	1,206,573	1,043,839
Excess	(14,531)	102,909	88,378	555,552

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	Grand Center Estimate	Total Estimate	FY 2002 Act/Est
Base Fee	227,475	227,475	454,950	450,000
Incentive Fee				
Revenue	4,892,596	2,159,311	7,051,907	7,066,354
Benchmark Revenue	4,246,112	1,991,859	6,237,971	5,969,444
Revenue Excess	646,484	167,452	813,936	1,096,910
Incentive Fee **	129,297	33,490	162,787	224,228
<b>Total SMG Management Fee</b>	<b>356,772</b>	<b>260,965</b>	<b>617,737</b>	<b>674,228</b>

\*\* Incentive fee is 20% of the first \$1 million in excess, 25% of remaining capped at base fee amount.



# **VAN ANDEL ARENA**

**FINANCIAL STATEMENT  
FOR THE PERIOD ENDED MAY 31, 2003**

**Distribution:**

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Glen Mon

Bob Johnson

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



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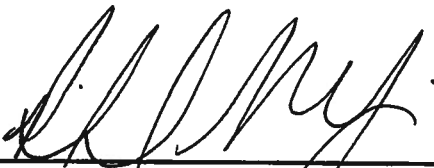
*An SMG Managed Facility*

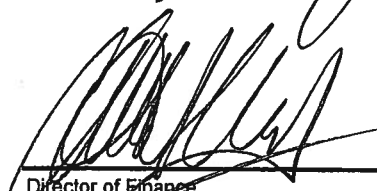
VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2003

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	145	6	151	126	25
ATTENDANCE	742,866	34,100	776,966	772,050	4,916
DIRECT EVENT INCOME	1,204,508	108,028	1,312,536	1,124,723	187,813
ANCILLARY INCOME	1,439,181	109,810	1,548,991	1,302,948	246,043
TOTAL EVENT INCOME	2,643,689	217,838	2,861,527	2,427,671	433,856
TOTAL OTHER INCOME	1,767,069	264,000	2,031,069	1,915,000	116,069
TOTAL INCOME	4,410,758	481,838	4,892,596	4,342,671	549,925
INDIRECT EXPENSES					
EXECUTIVE	98,446	8,125	106,571	91,525	(15,046)
FINANCE	134,397	14,203	148,600	166,900	18,300
MARKETING	185,751	12,478	198,229	173,800	(24,429)
OPERATIONS	1,068,084	98,452	1,166,536	1,081,652	(84,884)
BOX OFFICE	110,945	7,421	118,366	118,100	(266)
LUXURY SEATING	117,279	6,896	124,175	116,530	(7,645)
SKYWALK ADMIN	33,648	3,058	36,706	36,700	(6)
OVERHEAD	1,167,598	230,400	1,397,998	1,317,317	(80,681)
TOTAL INDIRECT EXP.	2,916,148	381,033	3,297,181	3,102,524	(194,657)
NET REVENUE ABOVE EXPENSES	1,494,611	100,805	1,595,415	1,240,147	355,268
LESS ALLOCATION FOR CAPITAL REPLACEMENT	203,271		203,271	368,700	165,429
NET REVENUE ABOVE EXPENSES AFTER CAPITAL	1,291,340	100,805	1,392,144	871,447	520,697

Comments:

The Van Andel Arena performed above budgeted expectations as the Arena hosted 4 concerts during the month compared to the two that were in the original budget. The forecast shows the Arena finishing the fiscal year ahead of budget in excess of \$350,000.

  
General Manager

  
Director of Finance

**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED MAY 31, 2003**

The following schedule summarizes operating results for the current month ending and the YTD ending June 30, 2003, compared to budget and to the prior year:

<b>MONTH</b>	<b>May Actual</b>	<b>May Budget</b>	<b>May FY 2002</b>
Number of Events	11	3	5
Attendance	66,722	18,500	38,202
Direct Event Income	\$90,517	\$71,970	\$153,477
Ancillary Income	171,704	159,584	58,225
Other Income	174,704	159,584	153,367
Indirect Expenses	(288,487)	(258,609)	(263,275)
Net Income	<u>\$148,438</u>	<u>\$132,529</u>	<u>\$101,794</u>

<b>YTD</b>	<b>YTD 2003 Actual</b>	<b>YTD 2003 Budget</b>	<b>YTD 2002 Prior Year</b>
Number of Events	145	124	128
Attendance	742,866	760,450	717,264
Direct Event Income	\$1,204,508	\$1,088,238	\$1,211,173
Ancillary Income	1,439,181	1,275,143	1,387,413
Other Income	1,767,069	1,755,424	1,661,293
Indirect Expenses	(2,916,148)	(2,846,059)	(2,854,354)
Net Income	<u>\$1,494,611</u>	<u>\$1,272,746</u>	<u>\$1,405,524</u>
Less Capital	(\$203,271)	(\$235,700)	(\$69,215)
Net Income after Capital	<u>\$1,291,340</u>	<u>\$1,037,046</u>	<u>\$1,336,309</u>

**EVENT INCOME**

Event income came in ahead of budget due to hosting two addition concerts, as well as, 4 unbudgeted Griffins playoff games.

**ANCILLARY INCOME**

Ancillary income came in ahead of budget due to very strong food & beverage numbers for the concerts held during the month.

**INDIRECT EXPENSES**

Indirect expenses exceeded budget, mainly due to labor related to summer cleaning/painting and multiple changeovers during the last week of the month (5 consecutive event days with 2 hockey, 2 concerts, 1 football).

VAN ANDEL ARENA  
FACILITY STATEMENT OF INCOME  
PERIOD ENDING 05/31/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
EVENT INCOME						
-----						
DIRECT EVENT INCOME						
RENTAL INCOME	123,297	87,000	112,275	1,816,490	1,691,280	1,753,099
SERVICES INCOME	<32,780>	<15,030>	41,202	<611,981>	<603,042>	<541,926>
TOTAL DIRECT EVENT INCOME	90,517	71,970	153,477	1,204,508	1,088,238	1,211,173
ANCILLARY INCOME						
-----						
FOOD & BEVERAGE	124,422	39,250	37,427	1,169,233	1,010,953	1,095,088
NOVELTY	38,691	9,030	19,057	218,774	221,810	249,241
ELECTRICAL	1,450	0	0	1,450	0	0
OTHER ANCILLARY	7,141	0	1,740	49,724	42,380	43,085
TOTAL ANCILLARY INCOME	171,704	48,280	58,225	1,439,181	1,275,143	1,387,413
TOTAL EVENT INCOME	262,220	120,250	211,701	2,643,689	2,363,381	2,598,586
OTHER OPERATING INCOME	174,704	159,584	153,367	1,767,069	1,755,424	1,661,293
ADJUSTED GROSS INCOME	436,925	279,834	365,069	4,410,758	4,118,805	4,259,878
INDIRECT EXPENSES						
EXECUTIVE	9,578	7,626	9,092	98,446	83,886	82,821
FINANCE	15,150	13,908	15,369	134,397	152,988	148,785
MARKETING	19,829	14,554	14,699	185,751	161,454	173,677
LUXURY SEATING	11,046	9,710	9,283	117,279	106,810	96,325
OPERATIONS	113,535	90,135	110,746	1,068,084	991,485	1,009,263
BOX OFFICE	10,894	9,842	13,217	110,945	108,262	104,807
SKYWALK ADMINISTRATION	4,346	3,058	3,536	33,648	33,638	32,405
OVERHEAD	104,109	109,776	87,334	1,167,598	1,207,536	1,206,270
INDIRECT EXPENSES	288,487	258,609	263,275	2,916,148	2,846,059	2,854,352
NET OPERATING INCOME	148,438	21,225	101,794	1,494,611	1,272,746	1,405,526
OTHER EXPENSES						
OTHER EXPENSE (INCOME)	0	0	135,000	203,271	0	204,215
OTHER EXPENSES	0	0	135,000	203,271	0	204,215
NET INCOME (LOSS)	148,438	21,225	<33,206>	1,291,340	1,272,746	1,201,311
=====	=====	=====	=====	=====	=====	=====

VAN ANDEL ARENA  
STATEMENT OF SERVICES INCOME  
PERIOD ENDING 05/31/03

	-----CURRENT-----			-----YEAR TO DATE-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Advertising Billed	14,669	0	0	334,553	0	291,208
Sponsorship Income	0	0	0	0	0	37,000
Labor Billed	2,160	550	540	19,192	19,770	19,958
Changeover Setup Billed	19,070	3,300	7,129	139,403	104,550	136,291
Stagehands Billed	68,406	12,000	15,962	519,289	377,500	426,187
Security Billed	25,357	5,000	10,039	170,867	117,600	185,877
Ushers & Tix Takers Billed	17,463	3,500	4,363	138,928	107,750	134,259
Box Office Billed	1,677	400	387	10,557	12,350	12,345
Ticketing Service Billed	33,383	9,500	9,108	185,690	162,250	211,556
City Police Fire Billed	3,486	336	840	17,647	9,408	12,344
EMT Medical Billed	3,375	250	2,300	27,267	9,325	26,135
Production Materials Billed	0	0	0	0	0	205
Cleaning Billed	12,821	3,600	3,682	109,053	104,800	115,674
Insurance Billed	0	0	0	455	0	2,592
Group Sales Commissions Billed	0	0	280	5,565	0	3,171
Telephone Billed	3,870	450	670	31,550	20,635	24,715
Equipment Rental Billed	0	0	0	770	0	0
Damages Billed	0	0	0	150	0	0
Other Production Billed	36,690	4,000	10,782	389,793	177,250	286,720
<b>TOTAL SERVICE INCOME</b>	<b>242,427</b>	<b>42,886</b>	<b>66,082</b>	<b>2,100,729</b>	<b>1,223,188</b>	<b>1,926,236</b>
Advertising Expense	14,457	0	200	314,106	0	320,046
Sponsorship Expenses	0	0	0	0	0	2,800
Labor Wages	1,836	468	459	16,313	17,480	16,964
Contracted Changeover Setup Expense	28,583	6,600	<4,092>	283,439	223,467	261,995
Stagehand Wages	69,774	11,723	14,088	543,620	425,744	451,089
Contracted Security Expense	36,629	6,600	14,332	286,563	187,830	267,170
Contracted Ushers & T/T Expense	28,520	8,000	<12,623>	314,667	263,000	252,752
Ticket Sellers Wages	1,425	0	329	8,974	0	10,217
Ticket Service Charge Expense	24,911	9,500	8,545	165,512	187,000	188,012
City Police Fire Expense	3,486	336	840	18,423	12,158	10,944
EMT Medical Expense	3,772	667	5,262	34,401	22,573	47,412
Contracted Cleaning Expense	25,841	9,873	<18,171>	319,130	304,779	274,883
Insurance Expense	667	0	0	12,465	0	9,219
Allocated Telephone Expense	1,290	149	150	9,521	5,169	6,070
Production Expense	34,016	4,000	15,561	385,576	177,030	348,589
<b>TOTAL SERVICE EXPENSE</b>	<b>275,206</b>	<b>57,916</b>	<b>24,880</b>	<b>2,712,710</b>	<b>1,826,230</b>	<b>2,468,162</b>
<b>NET SERVICE INCOME</b>	<b>&lt;32,780&gt;</b>	<b>&lt;15,030&gt;</b>	<b>41,202</b>	<b>&lt;611,981&gt;</b>	<b>&lt;603,042&gt;</b>	<b>&lt;541,926&gt;</b>
	=====	=====	=====	=====	=====	=====



VAN ANDEL ARENA  
STATEMENT OF FINANCIAL POSITION  
PERIOD ENDING 05/31/03

ASSETS

CURRENT ASSETS

CASH	4,611,959
ACCOUNTS RECEIVABLE	1,704,484
PREPAID EXPENSES	120,727
	-----
TOTAL CURRENT ASSETS	6,437,170
	-----

FIXED ASSETS

TOTAL ASSETS	6,437,170
	=====

LIABILITIES & EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	860,896
ACCRUED EXPENSES	443,805
DEFERRED INCOME	964,320
ADVANCED TIX SALES & DEPOSITS	2,151,256
	-----
TOTAL CURRENT LIABILITIES	4,420,277
	-----

EQUITY

FUNDS REMITTED	<1,668,275>
FUNDING RECEIVED	569,726
RETAINED EARNINGS	1,824,109
NET INCOME (LOSS)	1,291,333
	-----
TOTAL EQUITY	2,016,894
	-----

TOTAL LIABILITIES & EQUITY	6,437,170
	=====

VAN ANDEL ARENA  
INDIRECT EXPENSE SUMMARY  
PERIOD ENDING 05/31/03

	-----CURRENT-----			-----YTD-----		
	ACTUAL	BUDGET	LAST YEAR	ACTUAL	BUDGET	LAST YEAR
Salaries Administration	66,208	47,841	60,994	533,079	526,251	487,737
Part-Time	8,381	2,778	6,696	73,721	31,918	70,171
Wages-Trade	112,547	75,285	58,442	821,100	828,135	724,090
Auto Allowance	777	0	0	4,663	0	0
Auto Expense	0	810	777	3,885	8,910	8,302
Taxes & Benefits	38,457	31,364	23,912	345,800	345,004	270,070
Less: Allocation/Reimbursement	<101,014>	<71,668>	<29,800>	<745,002>	<788,348>	<585,885>
<b>TOTAL LABOR COSTS</b>	<b>125,356</b>	<b>86,410</b>	<b>121,021</b>	<b>1,037,245</b>	<b>951,870</b>	<b>974,484</b>
Contracted Security	17,258	17,083	16,873	196,704	187,913	180,000
Contracted Cleaning	2,098	2,167	4,196	23,078	23,837	24,370
Other Contracted Services	314	300	0	3,553	3,300	3,350
Travel & Entertainment	47	442	1,095	8,587	4,862	9,936
Corporate Travel	0	625	0	3,395	6,875	1,884
Meetings & Conventions	175	1,083	17	6,346	11,913	8,431
Dues & Subscriptions	499	108	0	3,859	1,188	3,083
Employee Training	0	1,000	0	1,464	11,000	2,501
Miscellaneous Expense	0	0	0	62	0	0
Computer Expense	9,898	5,417	1,933	47,299	59,587	80,958
Professional Fees	1,533	2,167	3,064	25,743	23,837	28,394
Marketing & Advertising	6,777	8,250	1,791	106,945	90,750	86,608
Box Office Expenses	<953>	0	1,334	<204>	0	1,505
Small Equipment	0	0	0	3,098	0	1,687
Trash Removal	874	1,250	1,583	19,864	13,750	15,862
Equipment Rental	1,310	1,300	1,446	16,344	14,300	15,863
Landscaping	0	292	0	0	3,212	10,257
Exterminating	495	333	0	2,723	3,663	2,475
Cleaning	0	450	0	8,739	4,950	2,810
Safety Equipment	0	0	0	0	0	248
Repairs & Maintenance	16,370	10,666	5,784	116,179	117,326	80,074
Supplies	10,750	15,091	19,476	170,603	166,001	199,873
Bank Service Charges	686	1,000	419	8,683	11,000	12,261
Insurance	12,235	11,967	6,125	136,387	131,637	115,550
Licenses & Fees	0	0	0	69	0	0
Other Taxes	0	300	0	0	3,300	69
Printing & Stationary	0	1,917	0	5,644	21,087	5,375
Office Supplies	735	1,000	1,003	12,562	11,000	15,523
Postage	2,369	1,000	102	10,453	11,000	6,892
Parking Expense	1,792	1,592	1,510	19,838	17,512	18,104
Telephone Long Distance	2,707	4,583	1,359	47,646	50,413	45,237
Utilities	58,451	64,566	42,680	701,748	710,226	678,510
Base Fee	18,956	19,500	18,750	208,519	214,500	206,250
Incentive Fee	0	0	15,000	0	0	45,000
Amortization	0	0	0	0	0	5,737
Common Area Expense	<954>	<2,875>	<3,136>	<26,939>	<31,625>	<28,737>
Less: Allocated/Reimbursement	<1,290>	<375>	<150>	<10,088>	<4,125>	<6,070>
<b>TOTAL MATERIAL AND SERVICES</b>	<b>163,131</b>	<b>172,199</b>	<b>142,254</b>	<b>1,878,903</b>	<b>1,894,189</b>	<b>1,879,868</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>288,487</b>	<b>258,609</b>	<b>263,275</b>	<b>2,916,148</b>	<b>2,846,059</b>	<b>2,854,352</b>

**SMG - Van Andel Arena & Grand Center**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Capital Expenditures & Management Fee Summary**  
**Fiscal Year Ending June 30, 2003**

<b>CAPITAL IMPROVEMENTS</b>				
	<b>Budget</b>	<b>Expended</b>	<b>Balance</b>	<b>Project Status</b>
<b>Arena</b>				
Skywalk Ice Melt System	42,000	20,610	21,390	Closed
Terazzo Floor Repair	38,000		38,000	Delay to F/Y 05
Banquet Room Refurbishment	25,000		25,000	Delay to F/Y 04
Hydraulic Seating Section	70,000		70,000	Delay to F/Y 05
Hockey Glass	20,000	16,750	3,250	Closed
Safety Nets		67,056	(67,056)	Closed
Floor Maintenance Equipment	18,500	13,992	4,508	Closed
Lobby Duct Painting	35,000	14,140	20,860	Closed
Security Gate System	120,200	70,723	49,477	Closed
<b>Total Arena</b>	<b>368,700</b>	<b>203,271</b>	<b>165,429</b>	
<b>Grand Center</b>				
Refinish DeVos Stage Floor	50,000		50,000	Delay to F/Y 05
Cyclorama for DeVos Stage House	12,000	4,528	7,472	Closed
<b>Total Grand Center</b>	<b>62,000</b>	<b>4,528</b>	<b>57,472</b>	
<b>Grand Total Capital Improvements</b>	<b>430,700</b>	<b>207,798</b>	<b>222,902</b>	

**MANAGEMENT FEE SUMMARY**

	<b>Arena Estimate</b>	<b>Grand Center Estimate</b>	<b>Total Estimate</b>	<b>FY 2002 Act/Est</b>
Net Revenue above Expenses	1,552,014	(257,063)	1,294,951	1,599,391
Benchmark	1,566,545	(359,972)	1,206,573	1,043,839
Excess	(14,531)	102,909	88,378	555,552
Incentive Fee Calculation (Only if above greater than zero)				
	<b>Arena Estimate</b>	<b>Grand Center Estimate</b>	<b>Total Estimate</b>	<b>FY 2002 Act/Est</b>
Base Fee	227,475	227,475	454,950	450,000
Incentive Fee				
Revenue	4,892,596	2,159,311	7,051,907	7,066,354
Benchmark Revenue	4,246,112	1,991,859	6,237,971	5,969,444
Revenue Excess	646,484	167,452	813,936	1,096,910
Incentive Fee **	129,297	33,490	162,787	224,228
<b>Total SMG Management Fee</b>	<b>356,772</b>	<b>260,965</b>	<b>617,737</b>	<b>674,228</b>

\*\* Incentive fee is 20% of the first \$1 million in excess, 25% of remaining capped at base fee amount.

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

*INTERIM FINANCIAL STATEMENTS*

*Eleven Months Ended May 31, 2003*



## ACCOUNTANTS' REPORT

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To the Board of Directors  
Grand Rapids - Kent County Convention / Arena Authority  
Grand Rapids, Michigan

We have compiled the accompanying statements of net assets and cash receipts and disbursements - budget to actual for the operating account and construction accounts of the Grand Rapids - Kent County Convention / Arena Authority for the eleven months ended May 31, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These statements do not include the cash receipts and disbursements of the Van Andel Arena and Grand Center which are operated by the Authority. The financial statements presented have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's cash receipts and disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Beene Garter LLP*

June 12, 2003  
Grand Rapids, Michigan

BEENE GARTER LLP  
50 MONROE NW  
SUITE 600  
GRAND RAPIDS  
MICHIGAN  
49503-2679

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**INTERIM FINANCIAL STATEMENTS**

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# Statement A

## GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY

### Statement of Net Assets

May 31, 2003

ASSETS	CONSTRUCTION	OPERATING	TOTAL
<b>Current Assets:</b>			
Cash and Equivalents - Authority	\$ 24,505,973	\$ 1,499,766	\$ 26,005,739
Cash and Equivalents - Facility	-	3,620,013	3,620,013
Investments	17,926,481	-	17,926,481
Receivables, Net	-	1,232,040	1,232,040
Prepaid Expenses	-	117,750	117,750
Contract Rights	-	5,737	5,737
<b>Total Current Assets</b>	<b>42,432,454</b>	<b>6,475,306</b>	<b>48,907,760</b>
<b>Noncurrent Assets:</b>			
Capital Assets:			
Construction in Progress	56,229,162	3,507	56,232,669
<b>Total Noncurrent Assets</b>	<b>56,229,162</b>	<b>3,507</b>	<b>56,232,669</b>
<b>TOTAL ASSETS</b>	<b>98,661,616</b>	<b>6,478,813</b>	<b>105,140,429</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	-	643,033	643,033
Accrued Expenses	-	418,296	418,296
Advance Ticket Sales	-	1,079,206	1,079,206
Advance Deposits	-	202,952	202,952
Deferred Facility Income	-	441,506	441,506
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>2,784,993</b>	<b>2,784,993</b>
<b>NET ASSETS</b>			
Invested in Capital Assets	56,229,162	3,507	56,232,669
Fund Balance	42,432,454	3,690,313	46,122,767
<b>TOTAL NET ASSETS</b>	<b>\$ 98,661,616</b>	<b>\$ 3,693,820</b>	<b>\$ 102,355,436</b>



# Statement B

## GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Statement of Cash Receipts and Disbursements - Budget to Actual (Operations) From July 1, 2002 to May 31, 2003

	OPERATING ACCOUNT			
	Facilities Operations		Capital Replacement	
	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>				
Facility Operations	\$ 2,170,975	\$ 1,668,275	\$ -	\$ -
Land Lease	107,772	339,570	-	-
Interest on Investments	34,880	17,916	25,120	10,522
Capital Replacement Reserve Transfer	184,418	-	(184,418)	-
Miscellaneous Revenue	-	6,007	-	-
<b>TOTAL RECEIPTS</b>	<b>2,498,045</b>	<b>2,031,768</b>	<b>(159,298)</b>	<b>10,522</b>
<b>DISBURSEMENTS</b>				
Accounting / Auditing Services	25,635	16,408	-	-
Insurance - Property and Liability	33,050	27,599	-	-
Legal Services	33,550	26,229	-	-
Other Contractual Services	43,000	36,984	-	-
Facility Management Fees	-	224,228	-	-
Meeting Expense	890	634	-	-
Supplies	1,350	221	-	-
Transfer to Construction Account	1,000,000	1,000,000	-	-
<b>Sub-total Service Disbursements</b>	<b>1,137,475</b>	<b>1,332,304</b>	<b>-</b>	<b>-</b>
Electricity	727,000	638,945	-	-
Steam	471,000	488,579	-	-
Water and Sewer	92,800	62,726	-	-
<b>Sub-total Utility Disbursements</b>	<b>1,290,800</b>	<b>1,190,250</b>	<b>-</b>	<b>-</b>
Building Additions and Improvements	-	-	380,200	-
Facility Equipment Acquisition	-	-	50,500	-
<b>Sub-total Capital Disbursements</b>	<b>-</b>	<b>-</b>	<b>430,700</b>	<b>-</b>
Employee Wages	52,240	48,000	-	-
Employee Benefits	17,530	13,986	-	-
<b>Sub-total Payroll Disbursements</b>	<b>69,770</b>	<b>61,986</b>	<b>-</b>	<b>-</b>
<b>TOTAL DISBURSEMENTS</b>	<b>2,498,045</b>	<b>2,584,540</b>	<b>430,700</b>	<b>-</b>
<b>Excess / (Deficit) of Funds</b>	<b>\$ -</b>	<b>\$ (552,772)</b>	<b>\$ (589,998)</b>	<b>\$ 10,522</b>
<b>Total Net Assets - Beginning of Year</b>	<b>3,000,000</b>	<b>2,418,567</b>	<b>1,236,069</b>	<b>1,817,502</b>
<b>Total Net Assets - End of Period</b>	<b>\$ 3,000,000</b>	<b>\$ 1,865,795</b>	<b>\$ 646,071</b>	<b>\$ 1,828,024</b>
	See Comments 1 and 2		See Comments 1 and 2	

**Comment 1:** Facilities Operations and Capital Replacement budgets were approved by the GR-KC Convention / Arena Authority at its regularly scheduled meeting on June 26, 2002.

**Comment 2:** Facilities Operations and Capital Replacement columns include receipts and disbursements processed by the C/AA. SMG receipts and disbursements are reported separately in the Van Andel Arena and Grand Center financial statements prepared by SMG.



## Statement C

### GRAND RAPIDS - KENT COUNTY CONVENTION / ARENA AUTHORITY Statement of Cash Receipts and Disbursements - Budget to Actual (Construction) From July 1, 2002 to May 31, 2003

	CONSTRUCTION ACCOUNT			
	Monroe Ave Relocation Budget	Actual	Convention Center Construction Budget	Actual
<b>RECEIPTS</b>				
State of Michigan	\$ -	\$ -	\$ 2,138,974	\$ -
City / County Bldg Authority Capital Contrib.	3,071,036	14,574	52,381,302	57,662,498
Transfer from Operating Fund	-	-	1,000,000	1,000,000
Interest on Investments	55,000	44,358	698,455	778,367
<b>TOTAL RECEIPTS</b>	<b>3,126,036</b>	<b>58,932</b>	<b>56,218,731</b>	<b>59,440,865</b>
<b>DISBURSEMENTS</b>				
Architectural and Engineering Services	1,744,046	-	4,000,000	2,178,409
Construction Material Testing	-	-	600,000	276,143
Construction - GMP Contractor	1,133,925	14,560	47,063,549	56,811,923
<b>Sub-total Contractor Disbursements</b>	<b>2,877,971</b>	<b>14,560</b>	<b>51,663,549</b>	<b>59,266,475</b>
Insurance - Property / Liability	-	-	53,338	77,660
Legal Services	10,000	202	10,000	6,207
Owner's Representatives	-	-	270,870	241,496
Other Contractual Services	238,065	-	4,215,724	539,737
<b>Sub-total Service Disbursements</b>	<b>248,065</b>	<b>202</b>	<b>4,549,932</b>	<b>865,099</b>
Advertising / Promotion / Publicity	-	-	2,500	-
Supplies	-	-	500	-
Postage / Express	-	-	150	-
Telephone	-	-	2,100	1,918
<b>Sub-total Supplies Disbursements</b>	<b>-</b>	<b>-</b>	<b>5,250</b>	<b>1,918</b>
<b>TOTAL DISBURSEMENTS</b>	<b>3,126,036</b>	<b>14,762</b>	<b>56,218,731</b>	<b>60,133,492</b>
<b>Excess / (Deficit) of Funds</b>	<b>\$ -</b>	<b>\$ 44,170</b>	<b>\$ -</b>	<b>\$ (692,626)</b>
<b>Total Net Assets - Beginning of Year</b>	<b>9,206,790</b>	<b>9,206,790</b>	<b>90,103,282</b>	<b>90,103,282</b>
<b>Total Net Assets - End of Period</b>	<b>\$ 9,206,790</b>	<b>\$ 9,250,960</b>	<b>\$ 90,103,282</b>	<b>\$ 89,410,656</b>
	See Comment		See Comment	

**Comment:** Convention Center Construction budget was approved by the Grand Rapids - Kent County Convention / Arena Authority at its regularly scheduled meeting on June 26, 2002.



**Van Andel Arena /  
Grand Center**

# Memorandum

To: CAA – Finance Committee  
From: Chris Machuta – SMG/Director of Finance  
Date: Wednesday, June 18, 2003  
Re: Banquet Room Capital Project

A handwritten signature in black ink, likely belonging to Chris Machuta, is written over the "From:" line and extends into the "Date:" line.

As a part of the F/Y 2003 capital budget, \$25,000 was approved for Banquet Room Refurbishment (interior). The timing of the project was originally scheduled to take place during May or June when the use of the rooms was expected to decrease. This would allow for a proper time allotment as the project is expected to take up to two weeks to complete.

Due to how the calendar of events played out, finding a two-week window to complete the project became too difficult. Thus, moving the project to July now becomes the appropriate course of action. This allows for the project to be completed timely, under budget, and with no negative effect to any events hosted at the Arena. However, the timing of the project falls outside of the fiscal year in which the project was approved.

As a result, I am requesting the CAA – Finance Committee to approve a change to the Fiscal Year 2004 capital budget to include a \$25,000 line item for Banquet Room Refurbishment (interior).



**Amendment No. 6 to Agreement Between Owner and Construction Manager**

THIS AMENDMENT is made effective as of this 28<sup>nd</sup> day of May 2003, between Grand Rapids-Kent County Convention/Arena Authority (CAA) (hereinafter called "Owner") and Erhardt/Hunt, A Joint Venture (hereinafter called "Contractor").

WHEREAS, the Owner and Contractor have entered into a Standard Form of Agreement Between Owner and Construction Manager where the Construction Manager is also the Constructor (the "Contract") for the expansion and renovation of the Convention Center consisting of approximately 1,000,000 square feet of total gross floor area; and,

WHEREAS, the Owner and Construction Manager agree to adjust the billable rates in Attachments D-1 and D-2 to Agreement Between the Owner and Construction Manager,

NOW THEREFORE, it is hereby agreed as follows:

The Billable Rates in Attachment D-1.3 will be effective from June 1, 2003 through May 31, 2004.


The Billable Rates in Attachment D-2.4 will be effective from June 1, 2003 through May 31, 2004.

OWNER

\_\_\_\_\_  
(Signature) Date

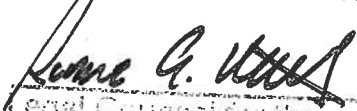
John H. Logie/ Chairman  
Grand Rapids – Kent County  
Convention/Arena Authority

CONSTRUCTION MANAGER

 5/27/03  
(Signature) Date

Matthew E. Barnes  
Erhardt/Hunt, A Joint Venture

APPROVED AS TO FORM

  
Legal Counsel for the  
Convention/Arena Authority

**ATTACHMENT D-1.3  
TO AGREEMENT BETWEEN  
OWNER AND CONSTRUCTION MANAGER**

**Effective June 1, 2003 through May 31, 2004**

Billable rates in accordance with paragraph 4.1.1 of the Standard Form of Agreement between Owner and Construction Manager.

Home Based Office Personnel

Project Executive	\$168/hour
Construction Manager	\$124/hour
Senior Estimator	\$100/hour
Senior Scheduler	\$90/hour
MEP Estimator	\$90/hour
Arch., Civil, Struct. Estimator	\$73/hour
MBE/WBE Director	\$73/hour

The above rates are valid through May 31, 2004. These rates will be adjusted 3% - 5% annually.

# **ATTACHMENT D-2.4** **TO AGREEMENT BETWEEN** **OWNER AND CONSTRUCTION MANAGER**

**Effective June 1, 2003 through May 31, 2004**

Billable rates in accordance with paragraphs 6.1.2.1, 6.1.2.2 and 6.1.2.3 of the Standard Form of Agreement between Owner and Construction Manager.

<b><u>**Trade Labor Rates</u></b> <b><u>Straight Time</u></b>	<b><u>Gross Amount</u></b> <b><u>(without CCIP)</u></b>	<b><u>CCIP Credit</u></b>	<b><u>Net Amount</u></b> <b><u>(with CCIP)</u></b>
Working Foreman	\$47.36/hr	\$2.41/hr	\$44.95/hr
Cement Finisher	\$45.10/hr	\$4.51/hr	\$40.59/hr
Experienced Carpenter	\$42.85/hr	\$3.38/hr	\$39.47/hr
Semi-Skilled Carpenter – A	\$40.36/hr	\$3.15/hr	\$37.21/hr
Semi-Skilled Carpenter – B	\$37.21/hr	\$3.38/hr	\$33.83/hr
Experienced Laborer	\$32.14/hr	\$2.82/hr	\$29.32/hr
Unskilled Laborers	\$28.76/hr	\$2.82/hr	\$25.94/hr
Equipment Operator	\$45.10/hr	\$2.26/hr	\$42.84/hr

<b><u>**Trade Labor Rates</u></b> <b><u>Overtime</u></b>	<b><u>Gross Amount</u></b> <b><u>(without CCIP)</u></b>	<b><u>CCIP Credit</u></b>	<b><u>Net Amount</u></b> <b><u>(with CCIP)</u></b>
Working Foreman	\$68.67/hr	\$5.52/hr	\$63.15/hr
Cement Finisher	\$65.40/hr	\$8.56/hr	\$56.84/hr
Experienced Carpenter	\$62.13/hr	\$6.87/hr	\$55.26/hr
Semi-Skilled Carpenter – A	\$58.53/hr	\$6.44/hr	\$52.09/hr
Semi-Skilled Carpenter – B	\$53.94/hr	\$6.58/hr	\$47.36/hr
Experienced Laborer	\$46.60/hr	\$5.55/hr	\$41.05/hr
Unskilled Laborers	\$41.68/hr	\$5.38/hr	\$36.30/hr
Equipment Operator	\$65.40/hr	\$5.41/hr	\$59.99/hr

\*\* These rates are based on non-union trade labor. Should union trade labor be utilized, different rates will need to be provided.

The above rates are valid through May 31, 2004. These rates will be adjusted 3% - 5% annually.

**ATTACHMENT D-2.4  
TO AGREEMENT BETWEEN  
OWNER AND CONSTRUCTION MANAGER**

On-Site Field Personnel

Senior Project Manager	\$3,255/week
MEP Coordinator	\$2,806/week
Senior Project Engineer	\$2,469/week
General Superintendent	\$2,469/week
Area Superintendent	\$2,335/week
Assistant Superintendent	\$2,154/week
Project Engineer	\$2,064/week
Safety Coordinator	\$2,020/week
Assistant Project Engineer	\$1,795/week
Accountant	\$1,571/week
Document Control	\$1,436/week
Secretary/Receptionist	\$1,213/week

Home Based Office Personnel

Project Executive	\$168/hour
Construction Manager	\$124/hour
Senior Scheduler	\$90/hour
MBE/WBE Director	\$73/hour

The above rates are valid through May 31, 2004. These rates will be adjusted 3% - 5% annually.

DATE	EVENT	EC	ROOM	TIME	FUNCTION
Wed, Jun 18	Available				
Thur, Jun 19	Available				
Fri, Jun 20	Available				
Sat, Jun 21	Available				
Sun, Jun 22	Available				
Mon, Jun 23	Available				
Tue, Jun 24	Available				
Wed, Jun 25	Mormon Tabernacle Choir	AH	Arena	8:00 PM	Performance
Thur, Jun 26	Available				
Fri, Jun 27	Available				
Sat, Jun 28	Available				
Sun, Jun 29	Available				
Mon, Jun 30	Available				
Tue, Jul 1	Available				
Wed, Jul 2	Available				
Thur, Jul 3	Available				
Fri, Jul 4	<b>Closed – Holiday</b>				
Sat, Jul 5	Available				
Sun, Jul 6	Available				
Mon, Jul 7	Available				
Tue, Jul 8	Available				
Wed, Jul 9	Available				
Thur, Jul 10	Available				
Fri, Jul 11	Available				
Sat, Jul 12	Available				
Sun, Jul 13	Available				
Mon, Jul 14	Available				
Tue, Jul 15	Available				
Wed, Jul 16	Available				
Thur, Jul 17	Available				
Fri, Jul 18	Available				
Sat, Jul 19	Available				
Sun, Jul 20	Available				

# GRAND CENTER WEEKLY – YEAR 2003

DATE	EVENT	ROOM	TIME	FUNCTION	EC	OPERATIONS/CONSTRUCTION
TUES. JUNE 17						
WED. JUNE 18	MI FIRE SERVICES EXPO	GH/	8A-8P	MOVE IN	JE	
THURS. JUNE 19	MI FIRE SERVICES EXPO	GH/	8A-11A NOON-7P 5P-7P	MOVE IN EXHIBITS HAPPY HOUR EXHIBITS	JE	
FRI. JUNE 20	MI FIRE SERVICES EXPO	GH/	10A-6P	EXHIBITS	JE	
SAT. JUNE 21	MI FIRE SERVICES EXPO	GH/	10A-6P 6P-9P	EXHIBITS MOVE OUT	JE	
SUN. JUNE 22	MI FIRE SERVICES EXPO	GH/	8A-NOON	MOVE OUT (IF NEEDED)	JE	
MON. JUNE 23						
TUES. JUNE 24						
WED. JUNE 25						
THURS. JUNE 26	HOWARD AMWAY CONFERENCE	GH/	10A-6P	MOVE IN	JE	
FRI. JUNE 27	HOWARD AMWAY CONFERENCE	GH/	NOON 2P 3P 3:30P 4:30P-6:30P 7P 8P-12:30A AFTER EVENT	MOVE IN BAND SOUND CHECK TALENT REHEARSAL UNLOCK SKYWALK DIRECTOR'S MEETING DOORS MEETING LOCK SKYWALK	JE JE	SKYWALK HOURS 3:30P-APPROX. 12:30A
SAT. JUNE 28			8A 9A-11A NOON-5:30P 7:30P 8P-1A AFTER EVENT	UNLOCK SKYWALK SESSION DOORS BANQUETS LOCK SKYWALK	JE	SKYWALK HOURS 8A-APPROX. 1A
SUN. JUNE 29	HOWARD AMWAY CONFERENCE	GH/	8A 9:30A-11:30A 12:30P-4:30P AFTER EVENT 4:30P-8:30P	UNLOCK SKYWALK WORSHIP SERVICE SESSION LOCK SKYWALK MOVE OUT	JE	SKYWALK HOURS 8A-APPROX. 4:30P
MON. JUNE 30						
TUES. JULY 1						
WED. JULY 2						
THURS. JULY 3						
FRI. JULY 4						
SAT. JULY 5						
SUN. JULY 6						
MON. JULY 7						
TUES. JULY 8						
WED. JULY 9						
THURS. JULY 10						
FRI. JULY 11						
SAT. JULY 12	INTERNATIONAL ORDER OF JOBS DAUGHTERS	1/3 GH/	8A-11A 11A-1P 1P-6P 6P	MOVE IN PRACTICE MOVE IN CONTINUED	JE	



# GRAND CENTER WEEKLY – YEAR 2003

DATE	EVENT	ROOM	TIME	FUNCTION	EC	OPERATIONS/CONSTRUCTION
			6:30P-10P 10P-11:30P	DOORS MEETING MOVE OUT		
SUN. JULY 13						
MON. JULY 14	JULY EMPHASIS MEETING	1/3 GH/		MOVE IN SHOW	MF	
TUES. JULY 15	JULY EMPHASIS MEETING	1/3 GH, EH/		SHOW MEALS	MF	
WED. JULY 16	JULY EMPHASIS MEETING	1/3 GH, EH/		SHOW MEALS	MF	
THURS. JULY 17	JULY EMPHASIS MEETING	1/3 GH, EH/		SHOW	MF	
FRI. JULY 18	JULY EMPHASIS MEETING	1/3 GH, EH/		SHOW MOVE OUT	MF	
SAT. JULY 19						
SUN. JULY 20						
MON. JULY 21						
TUES. JULY 22						
WED. JULY 23						
THURS. JULY 24						
FRI. JULY 25						
SAT. JULY 26						
SUN. JULY 27						
MON. JULY 28						
TUES. JULY 29						
WED. JULY 30						
THURS. JULY 31						

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

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF  
FIRST AMENDMENT TO LEASE AGREEMENT WITH DP FOX  
FOOTBALL HOLDINGS, L.L.C.**

Boardmember \_\_\_\_\_, supported by Boardmember \_\_\_\_\_,  
moved the adoption of the following resolution:

**WHEREAS**, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") is the assignee of the Downtown Development Authority of the City of Grand Rapids (the "DDA") in a Lease Agreement dated March 31, 1998 (the "Lease"), with DP Fox Football Holdings, L.L.C. ("DP Fox") related to the lease of portions of the Van Andel Arena where the DDA and its assignee, the CAA, and the landlord and DP Fox is the tenant; and

**WHEREAS**, there has been a change in the season when DP Fox's football team plays its regular home games at the Arena from May through August to February through May; and

**WHEREAS**, it is necessary to amend the Lease to reflect such change, related changes in determination of rent and other compensation to be paid the CAA and assign responsibility for the cost of mandated improvements and modifications to the football equipment and facilities at the Arena; and

**WHEREAS**, in connection with such changes the CAA and DP Fox have agreed to enter into a First Amendment to Lease Agreement (the "Agreement").

**RESOLVED:**

1. That the Agreement substantially in the form presented at this meeting with such minor deviations as are not materially adverse to the CAA and approved as to form by the CAA's counsel is approved.
2. That the Chairman of the CAA is authorized and directed to sign the Agreement for and on behalf of the CAA.
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: June 25, 2003

---

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 regular meeting held June 25, 2003, 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: June 25, 2003

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Susan M. Waddell  
Administrative Manager/Recording Secretary

Summary of Key Provisions – First Amendment to Lease Agreement between the Grand Rapids-Kent County Convention/Arena Authority and DP Fox Football Holdings, LLC:

- Arena will receive 20% of DP Fox concession revenue per cap per game for turnstile attendance above 8,000 (Arena currently receives nothing).
- Arena will receive 20% of DP Fox catering revenue (suites) per game when turnstile attendance exceed 8,000 (Arena currently receives nothing).
- DP Fox to share 50/50 with Arena league mandated venue upgrades and to pay 100% of TV contract mandated upgrades (Arena is currently responsible for 100% of league mandated upgrades).
- For remaining current term of agreement, Arena will receive an additional \$10,000 per game for each Friday, Saturday and Sunday game during February and March where turnstile attendance is greater than 8,000.

## FIRST AMENDMENT TO LEASE AGREEMENT

**THIS FIRST AMENDMENT TO LEASE AGREEMENT** (the "First Amendment") is made and entered into this \_\_\_\_\_ day of June, 2003, by and between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a statutory authority created by the City of Grand Rapids and the County of Kent pursuant to Act 203 of the Public Acts of Michigan of 1999 (the "Landlord") and **DP FOX FOOTBALL HOLDINGS, L.L.C.**, a Michigan limited liability company (the "Tenant").

### RECITALS

A. The Landlord has entered into a long term lease and conveyance agreement entitled "Lease Agreement" dated as of July 1, 2000 (the "Lease/Conveyance Agreement"), with the Downtown Development Authority of the City of Grand Rapids (the "DDA") related to the Van Andel Arena.

B. In connection with such Lease/Conveyance Agreement, the DDA pursuant to an Assignment of Contract dated as of July 1, 2000 (the "Assignment"), assigned its interests and obligations in a Lease Agreement dated March 31, 1998 (the "Lease"), with Tenant related to the lease of portions of the Van Andel Arena and the Tenant has consented to the Assignment. Pursuant to the Assignment, Landlord has assumed all of the obligations of the DDA under the Lease.

C. Landlord and Tenant desire to amend the Lease in certain respects.

**NOW, THEREFORE**, in consideration of the mutual agreements contained in this First Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

Section 1. Amendment to Section 2(g) of Lease. Section 2(g) of the Lease is amended in its entirety to read as follows:

(g) Football Facilities. Landlord shall provide at least ten thousand eight hundred (10,800) spectator seats (or any larger amount resulting from an expansion of the Arena) for Home Games in the Arena. Upon commencement of the term of this Agreement, Landlord bore the cost of purchase, transport and installation of a new AFL field system (including playing field, nets and rubber barriers) and the purchase, transport, repair and repainting of a used set of AFL goal posts; the cost of which was financed by Tenant and has been repaid by Landlord. During the term of this Agreement, Landlord is responsible at its cost for (i) providing, repairing and maintaining the AFL field system (including playing field, dashboards, high density foam padding and nets) and the AFL goal posts and (ii) providing, repairing and maintaining required clocks, scoreboards and other equipment and facilities necessary to conduct professional football games (collectively, with the AFL field system and AFL goal posts, the "Football Equipment and Facilities") that meet AFL standards, as such standards exist from time to

time, provided, however, Tenant shall (y) share equally with Landlord the cost of all upgrades, improvements or modifications of the Football Equipment and Facilities required by the AFL or another football league with which Tenant may become affiliated for any Season commencing after the effective date of this First Amendment and (z) pay all costs of all upgrades, improvements or modifications of the Football Equipment and Facilities required by a television network or station broadcasting games of the Football Team for any Season commencing after the effective date of this First Amendment that are not required by the AFL or another football league with which Tenant may become affiliated.

Section 2. Amendment to Section 3(a) of Lease. The first sentence of Section 3(a) of the Lease is amended in its entirety to read as follows:

In March of each calendar year during the Term, General Manager and Tenant shall confer for the purpose of reserving dates for the presentation of professional football games by the Football Team during the Season in the following calendar year.

Section 3. Amendment to Section 3(b) of Lease. Section 3(b) of the Lease is amended in its entirety to read as follows:

(b) Available Dates and Schedule Dates. On or before May 1 of each year, Tenant shall, after consulting with General Manager, prepare and submit to Landlord a written list of eighteen (18) Friday or Saturday dates and six (6) Sunday dates on at least eleven (11) weekends during a sixteen (16) week period from February through August that Tenant desires for Season Games during the following Season ("Available Dates"), and Landlord shall reserve the Available Dates for Tenant, provided that Landlord shall not be contractually obligated to reserve any date for Tenant that General Manager has notified Tenant is a Long-Term Date. No later than five (5) days following the completion of Tenant's scheduling with other AFL teams, Tenant shall submit to Landlord a written schedule (the "Schedule") setting for the Available Dates selected by Tenant for the Football Team's Season Games ("Schedule Dates").

Between May 1 and the date Tenant submits the Schedule to Landlord (which shall not be later than November 1 or two business days after the AFL schedule is finalized, whichever is later), Landlord may book other events on up to three (3) of the Available Dates; *provided, however*, that Landlord must provide a comparable date reasonably acceptable to Tenant to replace any Available Date booked by Landlord for another event. All Schedule Dates shall be held for the exclusive use of Tenant and may not be changed or canceled without the prior written consent of Tenant, which consent may be withheld in Tenant's sole discretion. In the event Tenant wishes to change an Available Date or Schedule Date, Landlord shall cooperate with Tenant in selecting alternative Available Date(s) and/or Schedule Date(s) if the dates desired by Tenant can be scheduled by Landlord without materially interfering with Landlord's existing lease or booking commitments for the Arena.

Section 4. Amendment to Section 3(d) of Lease. Section 3(d) of the Lease is amended in its entirety to read as follows:

(d) Exhibition Games. On or before May 1 of each year, Tenant shall, after consulting with General Manager, prepare and submit to Landlord a written list of at least two (2) Friday or Saturday dates on the two (2) weekends preceding the start of the following Season that Tenant desires for Exhibition Games ("Exhibition Dates"), and Landlord shall reserve the Exhibition Dates for Tenant, provided that Landlord shall not be contractually obligated to reserve any date for Tenant that General Manager has notified Tenant is a Long-Term Date. Tenant shall notify Landlord as soon as possible regarding the date(s) on which Tenant will be playing its home Exhibition Game(s), but in no event shall Tenant notify Landlord later than September 30 each year. Landlord and Tenant agree to consult and cooperate in an effort to resolve any conflicts or disputes arising from the scheduling of Exhibition Games.

Section 5. Amendment to Section 3(e) of Lease. Section 3(e) of the Lease is amended in its entirety to read as follows:

(e) Playoff Games.

(i) At the time Tenant submits the Schedule to Landlord, Tenant shall notify Landlord of the period during which Playoff Games may be scheduled following the Season Games set forth in the Schedule (the "Playoff Period"). Landlord and Tenant recognize that it will not be possible to ascertain whether dates will be required by the Football Team for Playoff Games until after the beginning of each Season and that it will be necessary for Landlord and Tenant to act in good faith and to assist and cooperate with each other in order to schedule dates for Playoff Games that are convenient and attractive to Tenant. In booking events for the Arena during the Playoff Period, Landlord shall keep a sufficient number of Saturday/Sunday dates available, but in no event less than one (1) Saturday/Sunday date for each of the first three weekends during the Playoff Period, for the Football Team to play Playoff Games. Notwithstanding the foregoing, in the event that the AFL, or another football league which Tenant may become affiliated, changes the day(s) of the week on which such league chooses to hold Playoff Games, Landlord shall keep a sufficient number of such chosen day(s) available, but not less than one such day for each of the first three weeks during the Playoff Period, for the Football Team to play Playoff Games. In addition, Landlord shall leave available the date that the AFL chooses for the ArenaBowl, which date must be held because of national television commitments. Tenant shall promptly notify Landlord after it becomes reasonably certain that Tenant will require dates for Playoff Games. Landlord shall, within seventy-two (72) hours after receiving such notice, notify Tenant of the dates during the Playoff Period on which the Football Team may schedule Playoff Games. Tenant shall thereafter promptly notify Landlord of the dates it desires to reserve for Playoff Games. After receiving notice from Tenant, Landlord shall reserve the requested dates for Playoff Games. Landlord and Tenant agree to consult and

cooperate in an effort to resolve any conflicts or disputes arising from the scheduling of Playoff Games.

(ii) Notwithstanding the above, after the Playoff Period has been determined, Landlord shall notify Tenant if Landlord has an opportunity to book an event on (a) a Saturday and/or Sunday of a weekend during the first three weeks of the Playoff Period; or (b) the date reserved by Tenant for the ArenaBowl. If the proposed booking is on one of the three first weekends of the Playoff Period and is for one day only, Tenant agrees that Landlord may book the event, and the other day of the Saturday/Sunday weekend will be held for Tenant. If Landlord has an opportunity to book an event on the date being held for the ArenaBowl or on the remaining unbooked day of a Saturday/Sunday weekend, Landlord shall notify Tenant, and Tenant may reserve the day for a potential Playoff Game by paying Landlord an amount equal to the lesser of (w) the Base Rent calculated pursuant to Subsection 4(a), or (x) the deposit received by Landlord in exchange for booking the event on such date. If Landlord has the opportunity to book an event for both days of a Saturday/Sunday weekend, Landlord shall notify Tenant, and Tenant may reserve one of the dates for a potential Playoff Game by paying Landlord an amount equal to the lesser of (y) one and one-half times the Base Rent calculated pursuant to Subsection 4(a), or (z) the deposit received by Landlord in exchange for booking an event on such dates. If Tenant uses such a reserved date for a Playoff Game, an amount equal to the Base Rent shall be applied towards the rent payable pursuant to Subsection 4(a). If such reserved date is not used for a Playoff Game, Landlord shall retain such amount; *provided, however*, that Landlord shall refund such amount to Tenant if Landlord books an event on such date. Notwithstanding anything to the contrary in this paragraph, Landlord may not book events on dates held for Tenant during the Playoff Period unless Landlord notifies Tenant prior to April 15 of the relevant year.

Section 6. Amendment to Section 4(a) of Lease. Section 4(a) of the Lease is amended in its entirety to read as follows:

(a) Rent and Expenses. Commencing with the 2003 Season and continuing during the remaining Term of this Agreement, Tenant agrees to pay Landlord Eight Thousand Four Hundred Eighty-two Dollars (\$8,482) per Home Game (the "Base Rent") except as otherwise supplemented or adjusted as hereinafter provided in this subsection (a). For the remainder of the first Renewal Term only, Tenant shall pay Landlord for each Home Game held in February and March on a Friday, Saturday or Sunday in which Turnstile Attendance exceeds 8,000 persons additional rent of Ten Thousand Dollars (\$10,000) (the "Additional Rent"). Except as otherwise specifically provided in this Agreement, the Base Rent, as adjusted, and the Additional Rent, as applicable, represent the total Home Game cost to Tenant, including rent and all utilities, service personnel, and other expenses for the time one (1) hour before the published starting time of a Home Game until such reasonable time after the Home Game as is customary to clear the Arena of patrons. Any costs incurred by Landlord due to these time periods being extended by



pregame, halftime or postgame shows and other entertainment in connection with the playing of Home Games shall be the sole expense of Tenant. The Base Rent will be adjusted on an annual basis throughout the remaining Term beginning with the 2004 Season to reflect any cost-of-living increases. Adjustments shall be made in accordance with any increase in the Consumer Price Index of the Bureau of Labor Statistics, United States Department of Labor (CPI-U), all items index for all urban consumers – U.S. city average (1982-84=100), or any successor index.

Section 7. Amendment to Section 9(b) of Lease. Section 9(b) of the Lease is amended in its entirety to read as follows:

(b) Revenue Sharing. Landlord shall pay Tenant one hundred percent (100%) of concession Revenue (as defined below) including catered sales for all Home Games where Turnstile Attendance is 8,000 persons or less. Where Home Game Turnstile Attendance is greater than 8,000 persons, Landlord shall retain (i) from concession Revenue (excluding catered sales) for such Home Game twenty percent (20%) of Landlord's share of per cap concession Revenue in excess of 8,000 persons (example: per cap concession Revenue (excluding catered sales) - \$5.30; Landlord's share - \$2.65; game attendance 9,000; Landlord's retained share -  $\$2.65 \times 1,000 \times .20 = \$530$  and (ii) from catered sales for such Home Game twenty percent (20%) of Landlord's share of catered sales Revenue (example: catered sales - \$3,000.00; Landlord's Share - \$525; Landlord's retained share -  $\$525 \times .20 = \$105$ ) and pay the balance of each to Tenant. For purposes of this Section 9, "Revenue" shall mean the Landlord's share of gross revenues from the sale by Landlord or its concessionaire(s) (excluding sales through vending machines as long as such vending machines are not accessible to the public), of food, confectionery, drinks, cigars, cigarettes, catered sales (sales of food and beverage items in suites, club seats, and banquet areas, patios or other areas inside the arena) and all other food and beverage items (not including sales of novelties, souvenirs, and programs) during a Home Game, less applicable sales taxes. Landlord agrees that in its current and future contracts with the Arena concessionaire, the percentage of concession sales received from the concessionaire for the Tenant's Home Games shall be the same percentage as the concessionaire pays the Arena for other events.

Section 8. Definitions. All terms not defined in this First Amendment and defined in the Lease shall have such meanings as provided in the Lease.

Section 9. Effective Date. This First Amendment shall be effective on the date indicated in the first paragraph hereof.

Section 10. Ratification of Lease. Except as otherwise amended by this First Amendment, the Lease is in all other respects ratified and confirmed.

**IN WITNESS WHEREOF**, the parties have executed this First Amendment as of the date first written above.

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

By: \_\_\_\_\_  
John H. Logie, Chairman

**DP FOX FOOTBALL HOLDINGS,  
L.L.C.**

By: \_\_\_\_\_  
David W. Green  
Its: Manager

WXP 885928-4