



# Agenda

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## Board of Directors

**Friday, May 5, 2011**

**Following CAA Finance Committee Meeting**

**Kent County Commission Chambers**

**300 Monroe, NW – Grand Rapids, MI**

- |    |  |                   |
|----|--|-------------------|
| 1. | Call to Order  | Steven R. Heacock |
| 2. | Minutes of Previous Meeting  | Action            |
| 3. | Committee Reports  |                   |
|    | A. Operations Committee  |                   |
|    | i. Experience Grand Rapids   | Information       |
|    | B. Finance Committee   |                   |
|    | i. SMG March 2011 Financial Statements -<br>DeVos Place® and Van Andel Arena®  | Action            |
|    | ii. CAA March 2011 Financial Statements  | Action            |
|    | iii. Third Quarter Consolidated Financial Report   | Action            |
|    | iv. DeVos Place® Parking Operation Agreement   | Action            |
|    | v. Review of FY 2012 Budgets   | Information       |
|    | a. DeVos Place® and Van Andel Arena®<br>Operating Budgets  |                   |
|    | b. Consolidated CAA Operating/Capital Budgets  |                   |
|    | vi. Review of 2012-2016 DeVos Place® Rate Sheets   | Information       |
| 4. | Resolution Approving and Authorizing Execution of Management Agreement with SMG  | Action            |
| 5. | Resolution Approving and Authorizing Execution of Food and Beverage Services Agreement with SMG Food and Beverage, LLC | Action            |
| 6. | SMG Report and Facilities Calendars  | Information       |
| 7. | Public Comment   |                   |
| 8. | Adjournment. Next Meeting Date: Friday, June 3, 2011   |                   |

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
BOARD OF DIRECTORS MEETING  
Friday, April 1, 2011**

**I. Call to Order**

Steve Heacock, Chairperson, called the meeting to order at 8:25 a.m. Secretary/Treasurer Birgit Klohs recorded the meeting minutes.

**Attendance**

**Members Present:** Steve Heacock, Chair  
George Heartwell  
Birgit Klohs  
Joe Tomaselli  
Floyd Wilson, Jr.

**Members Absent:** Lew Chamberlin  
Gary McInerney

<b>Staff/Others:</b>	Scott Atchison	Michigan Flashcard
	David Czurak	<i>Grand Rapids Business Journal</i>
	Daryl Delabbio	Kent County
	George Helmstead	Experience Grand Rapids
	Jennifer Kalczuk	The Rapid
	Drew Nikodem	IATSE
	Doug Small	Experience Grand Rapids
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jim Watt	SMG
	Richard Wendt	Dickinson Wright

**II. The Rapid Transit Master Plan 2030**

Jennifer Kalczuk explained that The Rapid just completed an update of its 20-year transit master plan. The process included a very robust public engagement component, generating over 1,200 comments via 11 workshops, and on-line survey, the social media, mail, e-mails, and telephone calls. Comments from both riders and non-riders were given equal value because everyone benefits from a successful transportation system. The Rapid also formed a community advisory group that offered suggestions, shaped priorities, and considered alternatives. The 30-member group included citizens, transit riders, local governments, the business community, educational, healthcare, and financial institutions, property developers, environmental and housing advocates, and nonprofit agencies.

Mayor George Heartwell addressed the millage component that will be voted on May 3, 2011. If approved, the millage would improve weekday service so that all routes would run at least every 30 minutes from 5:00AM-7:15PM; would connect GVSU's main route to the Rapid's central station; would extend hours that all routes run until 11:15PM on weekdays; double the number of routes with 15-minute service; and operate BRT express service serving Division Avenue, the Medical Mile, and downtown.

Chair Heacock inquired whether there was a presumption that people will use public transit. Mayor Heartwell responded that the Rapid is moving in that direction, seeing ridership from more young professionals and GVSU students. Chair Heacock inquired whether SMG could use The Rapid as a shuttle bus for patrons attending events downtown. Ms. Kalczuk responded that The Rapid is prevented by law from doing “charter work,” but patrons could ride services that already exist and the BRT would provide a stop at Market Avenue, which is walkable to the Arena. Chair Heacock stated that he would like to see SMG and The Rapid work to promote ridership.

### III. Minutes of Prior Meeting

*Motion: Mr. Tomaselli, supported by Ms. Klohs, moved to approve the Minutes of the March 4, 2011, meeting of the Grand Rapids-Kent County Convention/Arena Authority. The motion carried unanimously.*

### IV. Committee Reports

#### a. Operations Committee

Mr. Tomaselli stated that the Operations Committee met earlier in the morning and there is nothing additional to report.

#### b. Finance Committee

##### i. SMG February 2011 Financial Statements for DeVos Place® and Van Andel Arena®

*Motion: Ms. Klohs, supported by Mr. Heartwell, moved to approve the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended February 28, 2011. After review and discussion, the motion carried unanimously.*

##### ii. CAA February 2011 Financial Statements

*Motion: Ms. Klohs, supported by Mr. Wilson, moved to approve the CAA Financial Statements for the period ended February 28, 2011. After review and discussion, the motion carried unanimously.*

### V. SMG Report and Facilities Calendar

Jim Watt presented a summary of the upcoming events that will be held at Van Andel Arena® and Eddie Tadlock presented a similar report for upcoming events at DeVos Place®.

### VI. Public Comment

None.

### VII. General Matters

Chair Heacock presented a status update on the booking policy task force. Attorney Richard Wendt indicated that several contracts will be expiring and he will prepare drafts for next month. Robert White stated there is a \$50,000 allowance in the budget for a capital needs study. Chair Heacock stated that he would like to proceed on the economic impact study.

VIII. Next Meeting Date

The date for next CAA Board meeting is Friday, May 6, 2011, in the Kent County Commission Chambers, Kent County Administration Building, 300 Monroe Avenue, NW, immediately following the CAA Finance Committee meeting.

IX. Adjournment

There being no other business, the meeting adjourned at 9:30 a.m.

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Birgit M. Klohs, Recording Secretary

# DEVOS PLACE

## DE VOS PLACE

**FINANCIAL STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2011**

**Distribution:**

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Bob McClintock

Lewis Dawley

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



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*An SMG Managed Facility*

DE VOS PLACE  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2011

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	395	113	508	494	14
ATTENDANCE	453,064	87,500	540,564	531,500	9,064
DIRECT EVENT REVENUE	2,050,157	513,150	2,563,307	2,409,380	153,927
ANCILLARY REVENUE	1,557,281	395,125	1,952,406	1,907,266	45,140
TOTAL EVENT REVENUE	3,607,438	908,275	4,515,713	4,316,646	199,067
TOTAL OTHER REVENUE	149,992	43,000	192,992	190,950	2,042
TOTAL OPERATING REVENUE	3,757,430	951,275	4,708,705	4,507,596	201,109
INDIRECT EXPENSES					
EXECUTIVE	121,057	48,352	169,409	169,612	203
FINANCE	181,341	52,447	233,788	221,935	(11,853)
MARKETING	77,951	18,984	96,935	103,669	6,734
OPERATIONS	973,604	385,535	1,359,139	1,485,525	126,386
EVENT SERVICES	679,820	206,607	886,427	866,676	(19,751)
BOX OFFICE	68,514	18,838	87,352	79,211	(8,141)
SALES	253,217	90,406	343,623	355,664	12,041
OVERHEAD	1,548,313	486,106	2,034,419	1,936,247	(98,172)
TOTAL OPERATING EXP.	3,903,817	1,307,275	5,211,092	5,218,539	7,447
NET REVENUE ABOVE EXPENSES	(146,387)	(356,000)	(502,387)	(710,943)	208,556
INCENTIVE FEE			-	0	-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(146,387)	(356,000)	(502,387)	(710,943)	208,556

Comments:

DeVos Place continues to perform very well when compared to both budget and to prior year. That trend looks to continue throughout the balance of the fiscal year with the facility anticipated to end the year a little more than \$200,000 ahead of budget.

  
General Manager

  
Finance Director

**DE VOS PLACE  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED MARCH 31, 2011**

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

<b>MONTH</b>	<b>March Actual</b>	<b>March Budget</b>	<b>March FY 2010</b>
Number of Events	70	64	58
Attendance	115,075	92,687	98,986
Direct Event Income	\$472,751	\$438,672	\$354,572
Ancillary Income	245,037	277,542	215,177
Other Income	33,961	33,243	10,761
Indirect Expenses	(471,482)	(434,879)	(408,551)
Net Income	<u>\$280,267</u>	<u>\$314,579</u>	<u>\$171,959</u>

<b>YTD</b>	<b>YTD 2011 Actual</b>	<b>YTD 2011 Budget</b>	<b>YTD 2010 Prior Year</b>
Number of Events	395	382	386
Attendance	453,064	434,910	445,711
Direct Event Income	\$2,050,157	\$1,952,952	\$1,935,345
Ancillary Income	1,557,281	1,485,171	1,405,493
Other Income	149,992	149,778	117,152
Indirect Expenses	(3,903,817)	(3,913,911)	(3,712,399)
Net Income	<u>(\$146,387)</u>	<u>(\$326,010)</u>	<u>(\$254,409)</u>

**EVENT INCOME**

Event income came in ahead of budget due to the success of the James Taylor concert and continued strength of the consumer shows.

**ANCILLARY INCOME**

Ancillary fell below budget as spending on the conventions hosted during the month fell below traditional averages. Overall spending continues to show improvement.

**INDIRECT EXPENSES**

Indirect expenses were higher than budget for the month, however, consistent with the forecast and was mainly due to timing.

**DeVos Place**  
**Income Statement**  
**For the Nine Months Ending March 31, 2011**

	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
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$478,852	\$447,785	\$31,067	\$371,276	\$2,161,892	\$1,986,096	\$175,796	\$1,960,754
Service Revenue	282,817	298,672	(15,855)	182,298	1,565,329	1,528,290	37,039	1,561,998
Service Expenses	(288,918)	(307,784)	18,866	(199,002)	(1,677,064)	(1,561,434)	(115,630)	(1,587,407)
<b>Total Direct Event Income</b>	<b>472,751</b>	<b>438,673</b>	<b>34,078</b>	<b>354,572</b>	<b>2,050,157</b>	<b>1,952,952</b>	<b>97,205</b>	<b>1,935,345</b>
<b>Ancillary Income</b>								
F&B Concession	45,875	32,974	12,901	39,400	139,520	111,080	28,440	116,698
F&B Catering	43,370	62,718	(19,348)	25,663	432,987	419,273	13,714	343,980
Novelty Sales	2,983	4,622	(1,639)	1,014	6,749	11,906	(5,157)	7,793
Booth Cleaning	34,991	55,629	(20,638)	30,670	221,656	221,126	530	187,438
Telephone/Long Distance	0	4,262	(4,262)	1,695	225	17,436	(17,211)	4,058
Electrical Services	63,262	58,171	5,091	67,445	344,571	330,858	13,713	352,843
Audio Visual	28,474	32,790	(4,316)	18,621	229,321	206,358	22,963	229,742
Internet Services	6,027	6,255	(228)	15,383	50,002	33,590	16,412	44,387
Equipment Rental	20,055	20,121	(66)	15,286	132,250	133,544	(1,294)	118,554
<b>Total Ancillary Income</b>	<b>245,037</b>	<b>277,542</b>	<b>(32,505)</b>	<b>215,177</b>	<b>1,557,281</b>	<b>1,485,171</b>	<b>72,110</b>	<b>1,405,493</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	31,966	28,410	3,556	7,959	120,330	106,281	14,049	88,790
<b>Total Other Event Income</b>	<b>31,966</b>	<b>28,410</b>	<b>3,556</b>	<b>7,959</b>	<b>120,330</b>	<b>106,281</b>	<b>14,049</b>	<b>88,790</b>
<b>Total Event Income</b>	<b>749,754</b>	<b>744,625</b>	<b>5,129</b>	<b>577,708</b>	<b>3,727,768</b>	<b>3,544,404</b>	<b>183,364</b>	<b>3,429,628</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	1,322	2,000	(678)	1,802	14,667	18,000	(3,333)	16,333
Other Income	673	2,833	(2,160)	1,000	14,995	25,497	(10,502)	12,029
<b>Total Other Operating Income</b>	<b>1,995</b>	<b>4,833</b>	<b>(2,838)</b>	<b>2,802</b>	<b>29,662</b>	<b>43,497</b>	<b>(13,835)</b>	<b>28,362</b>
<b>Adjusted Gross Income</b>	<b>751,749</b>	<b>749,458</b>	<b>2,291</b>	<b>580,510</b>	<b>3,757,430</b>	<b>3,587,901</b>	<b>169,529</b>	<b>3,457,990</b>
<b>Operating Expenses</b>								
Salaries and Wages	253,086	225,288	27,798	211,215	2,086,177	2,027,592	58,585	2,008,395
Payroll Taxes and Benefits	81,794	58,848	22,946	63,859	592,127	529,632	62,495	544,220
Labor Allocations to Events	(153,236)	(122,456)	(30,780)	(110,575)	(1,163,615)	(1,102,104)	(61,511)	(1,102,606)
<b>Net Salaries and Benefits</b>	<b>181,644</b>	<b>161,680</b>	<b>19,964</b>	<b>164,499</b>	<b>1,514,689</b>	<b>1,455,120</b>	<b>59,569</b>	<b>1,450,009</b>
Contracted Services	24,341	21,200	3,141	18,900	219,994	190,800	29,194	215,273
General and Administrative	49,483	28,058	21,425	18,509	253,758	252,522	1,236	212,739
Operations	3,081	10,312	(7,231)	1,452	69,163	92,808	(23,645)	63,746
Repair and Maintenance	32,398	41,941	(9,543)	30,270	317,824	377,469	(59,645)	319,678
Operational Supplies	18,539	21,500	(2,961)	6,216	132,924	193,500	(60,576)	123,484
Insurance	15,173	17,465	(2,292)	27,504	143,360	157,185	(13,825)	182,945
Utilities	133,455	119,500	13,955	127,978	1,131,792	1,075,500	56,292	1,025,521
SMG Management Fees	13,368	13,223	145	13,223	120,313	119,007	1,306	119,004
<b>Total Operating Expenses</b>	<b>471,482</b>	<b>434,879</b>	<b>36,603</b>	<b>408,551</b>	<b>3,903,817</b>	<b>3,913,911</b>	<b>(10,094)</b>	<b>3,712,399</b>
<b>Net Income(Loss) From Operations</b>	<b>280,267</b>	<b>314,579</b>	<b>(34,312)</b>	<b>171,959</b>	<b>(146,387)</b>	<b>(326,010)</b>	<b>179,623</b>	<b>(254,409)</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>280,267</b>	<b>314,579</b>	<b>(34,312)</b>	<b>171,959</b>	<b>(146,387)</b>	<b>(326,010)</b>	<b>179,623</b>	<b>(254,409)</b>



**SMG DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Year to Date Event Summary Report**  
**For the Nine Months Ending March 31, 2011**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	92	92	93,218	115,000	1,239,894	1,308,608
Consumer/Gated Shows	48	48	154,251	137,010	936,256	916,272
Devos Performance Hall	125	112	139,473	131,600	831,541	698,351
Banquets	30	30	19,479	19,500	176,013	214,143
Meetings	66	66	19,567	16,500	324,354	194,634
Other	34	34	27,076	15,300	219,709	212,398
GRAND TOTALS	395	382	453,064	434,910	3,727,768	3,544,404

**As Percentage of Overall**

Convention/Trade Shows	23.29%	24.08%	20.58%	26.44%	33.26%	36.92%
Consumer/Gated Shows	12.15%	12.57%	34.05%	31.50%	25.12%	25.85%
Devos Performance Hall	31.65%	29.32%	30.78%	30.26%	22.31%	19.70%
Ballroom Exclusive	7.59%	7.85%	4.30%	4.48%	4.72%	6.04%
Meetings	16.71%	17.28%	4.32%	3.79%	8.70%	5.49%
Other	8.61%	8.90%	5.98%	3.52%	5.89%	5.99%

**DeVos Place  
Balance Sheet  
As of March 31, 2011**

**ASSETS**

**Current Assets**

Cash	1,518,305
Account Receivable	590,013
Prepaid Expenses	111,374

<b>Total Current Assets</b>	<b>\$2,219,692</b>	
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<b>Total Assets</b>	<b>\$2,219,692</b>	
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**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	67,424
Accrued Expenses	325,681
Deferred Income	46,489
Advanced Ticket Sales & Deposits	893,169

<b>Total Current Liabilities</b>	<b>\$1,332,763</b>	
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**Other Liabilities**

**Equity**

Funds Remitted to CAA	(600,000)
Expenses Paid Direct by CAA	1,073,587
Beginning Balance Equity	559,729
Current Year Equity	(146,388)

<b>Total Equity</b>	<b>\$886,928</b>	
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<b>Total Liabilities and Equity</b>	<b>\$2,219,691</b>	
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**SMG - DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of March 31, 2011**

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Current - Under 30 Days	
Food & Beverage	149,092
Ticketing	8,504
Merchandise	1,956
Decorating	34,991
Audio/Visual	28,392
Van Andel Arena	(46,389)
Operating	261,204
 Over 30 Days	 84,254
 Over 60 Days	 52,875
 Over 90 Days	
Donnell Productions	5,736
Paragon Leather	2,110
Saigon Entertainment	5,002
Grinder Promotions	2,286
 Total Accounts Receivable	 590,013

**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2011**

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2010 Actual
Net Revenue above Expenses	810,939	(502,387)	308,552	916,360
Benchmark			700,000	700,000
Excess	810,939	(502,387)	(391,448)	216,360

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	160,417	160,417	320,834	317,343
Incentive Fee				
Revenue	4,620,127	4,708,705	9,328,832	9,777,929
Benchmark Revenue	4,800,000	4,200,000	9,000,000	8,900,000
Revenue Excess	(179,873)	508,705	328,832	877,929
Incentive Fee **	-	-	-	238,379
Total SMG Management Fee	160,417	160,417	320,834	555,722

\*\* 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 MARCH 31, 2011**

### **Distribution:**

**Grand Rapids – Kent County Convention / Arena Authority**

**Robert White**

**Bob McClintock**

**Lewis Dawley**

**Gary McAneney**

**Howard Feldman**

**Richard MacKeigan**

**Chris Machuta**



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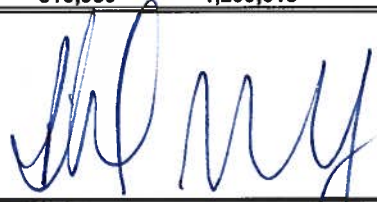
*An SMG Managed Facility*

VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2011

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	93	11	104	111	(7)
ATTENDANCE	469,514	83,000	552,514	591,650	(39,136)
DIRECT EVENT INCOME	871,139	125,637	996,776	1,460,958	(464,182)
ANCILLARY INCOME	1,013,557	186,055	1,199,612	1,230,438	(30,826)
TOTAL EVENT INCOME	1,884,696	311,692	2,196,388	2,691,396	(495,008)
TOTAL OTHER INCOME	1,694,111	729,628	2,423,739	2,444,775	(21,036)
TOTAL INCOME	3,578,807	1,041,320	4,620,127	5,136,171	(516,044)
INDIRECT EXPENSES					
EXECUTIVE	131,564	52,855	184,419	191,113	6,694
FINANCE	151,684	62,561	214,245	226,903	12,658
MARKETING	215,435	69,812	285,247	289,229	3,982
OPERATIONS	1,098,410	436,137	1,534,547	1,607,955	73,408
BOX OFFICE	89,642	36,881	126,523	133,630	7,107
LUXURY SEATING	45,486	12,162	57,648	87,276	29,628
SKYWALK ADMIN	18,800	5,267	24,067	23,956	(111)
OVERHEAD	1,050,369	332,123	1,382,492	1,366,494	(15,998)
TOTAL INDIRECT EXP.	2,801,391	1,007,798	3,809,188	3,926,556	117,368
NET REVENUE ABOVE EXPENSES	777,416	33,522	810,939	1,209,615	(398,676)
LESS INCENTIVE FEE			0	-	-
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	777,416	33,522	810,939	1,209,615	(398,676)

Comments:

March was a very strong month for the Arena on the strength of the Lady Gaga and Sugarland concerts hosted. While events hosted during the 3rd quarter of the fiscal year performed very well, the activity levels, combined with anticipated 4th quarter activity, will not offset the shortfall created by the first 5 months of the fiscal year and it is anticipated that the Arena will end the year with an \$800,000 surplus.

  
General Manager

  
Director of Finance

**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR MONTH ENDED MARCH 31, 2011**

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

<b>MONTH</b>	<b>March Actual</b>	<b>March Budget</b>	<b>March FY 2010</b>
Number of Events	18	19	15
Attendance	120,836	105,500	71,261
Direct Event Income	\$195,152	\$228,935	\$86,917
Ancillary Income	330,540	207,821	240,517
Other Income	256,001	275,168	161,829
Indirect Expenses	(340,704)	(327,214)	(290,853)
Net Income	<u>\$440,989</u>	<u>\$384,710</u>	<u>\$198,410</u>

<b>YTD</b>	<b>YTD 2011 Actual</b>	<b>YTD 2011 Budget</b>	<b>YTD 2010 Prior Year</b>
Number of Events	93	100	85
Attendance	469,514	501,000	459,804
Direct Event Income	\$871,139	\$1,219,299	\$1,063,367
Ancillary Income	1,013,557	1,017,999	1,126,321
Other Income	1,694,111	1,844,479	1,788,355
Indirect Expenses	(2,801,391)	(2,944,926)	(2,734,705)
Net Income	<u>\$777,416</u>	<u>\$1,136,851</u>	<u>\$1,243,338</u>

**EVENT INCOME**

Event income came in a little behind budget overall as one additional concert was budgeted than what was hosted.

**ANCILLARY INCOME**

Ancillary income came in very strong compared to budget as per caps for Lady Gaga and Sugarland were higher than anticipated. March also includes a positive adjustment to food & beverage as the overall weighted average for Griffins commission was known after the conclusion of their season.

**INDIRECT EXPENSES**

Indirect expenses came in at budgeted levels for the month as the facility was busy. Expenses continue to be monitored closely and is anticipated to continue to trend ahead of budget overall.

**Van Andel Arena  
Income Statement  
For the Nine Months Ending March 31, 2011**

	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
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$302,483	\$333,048	(\$30,565)	\$237,791	\$1,365,785	\$1,670,093	(\$304,308)	\$1,459,677
Service Revenue	200,736	\$240,934	(42,508)	102,187	1,283,324	\$1,220,601	60,413	1,323,413
Service Expenses	(308,067)	(\$345,047)	37,087	(253,061)	(1,777,970)	(\$1,671,395)	(106,468)	(1,719,723)
<b>Total Direct Event Income</b>	<b>195,152</b>	<b>228,935</b>	<b>(33,783)</b>	<b>86,917</b>	<b>871,139</b>	<b>1,219,299</b>	<b>(348,160)</b>	<b>1,063,367</b>
<b>Ancillary Income</b>								
F&B Concession	280,730	\$171,414	109,316	219,961	864,256	\$843,532	20,724	953,112
F&B Catering	15,223	\$11,745	3,478	8,284	58,081	\$59,076	(995)	69,370
Novelty Sales	29,329	\$19,272	10,057	8,472	63,689	\$85,361	(21,672)	72,541
Booth Cleaning	0	\$0	0	0	355	\$0	355	265
Audio Visual	18	\$0	0	0	36	\$0	18	23
Other Ancillary	5,240	\$5,390	(150)	3,800	27,140	\$30,030	(2,890)	31,010
<b>Total Ancillary Income</b>	<b>330,540</b>	<b>207,821</b>	<b>122,719</b>	<b>240,517</b>	<b>1,013,557</b>	<b>1,017,999</b>	<b>(4,442)</b>	<b>1,126,321</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	43,889	\$66,640	(22,751)	19,471	239,512	\$309,525	(70,013)	277,339
<b>Total Other Event Income</b>	<b>43,889</b>	<b>66,640</b>	<b>(22,751)</b>	<b>19,471</b>	<b>239,512</b>	<b>309,525</b>	<b>(70,013)</b>	<b>277,339</b>
<b>Total Event Income</b>	<b>569,581</b>	<b>503,396</b>	<b>66,185</b>	<b>346,905</b>	<b>2,124,208</b>	<b>2,546,823</b>	<b>(422,615)</b>	<b>2,467,027</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	161,010	\$149,528	11,482	92,435	988,161	\$1,003,954	(15,793)	1,026,776
Advertising	44,000	\$52,083	(8,083)	44,000	410,724	\$468,747	(58,023)	432,534
Other Income	7,102	\$6,917	185	5,923	55,714	\$62,253	(6,539)	51,706
<b>Total Other Operating Income</b>	<b>212,112</b>	<b>208,528</b>	<b>3,584</b>	<b>142,358</b>	<b>1,454,599</b>	<b>1,534,954</b>	<b>(80,355)</b>	<b>1,511,016</b>
<b>Adjusted Gross Income</b>	<b>781,693</b>	<b>711,924</b>	<b>69,769</b>	<b>489,263</b>	<b>3,578,807</b>	<b>4,081,777</b>	<b>(502,970)</b>	<b>3,978,043</b>
<b>Operating Expenses</b>								
Salaries and Wages	194,922	160,183	34,739	160,926	1,402,232	1,441,647	(39,415)	1,368,955
Payroll Taxes and Benefits	63,824	42,846	20,978	51,712	372,777	385,614	(12,837)	360,382
Labor Allocations to Events	(122,708)	(72,446)	(50,262)	(78,638)	(609,493)	(652,014)	42,521	(604,730)
<b>Net Salaries and Benefits</b>	<b>136,038</b>	<b>130,583</b>	<b>5,455</b>	<b>134,000</b>	<b>1,165,516</b>	<b>1,175,247</b>	<b>(9,731)</b>	<b>1,124,607</b>
Contracted Services	22,008	21,300	708	19,700	180,565	191,700	(11,135)	180,139
General and Administrative	45,027	30,742	14,285	26,667	258,566	276,678	(18,112)	256,082
Operations	2,003	4,996	(2,993)	2,874	17,507	44,964	(27,457)	20,097
Repair and Maintenance	15,898	17,943	(2,045)	10,946	108,124	161,487	(53,363)	119,924
Operational Supplies	9,739	19,883	(10,144)	15,993	132,194	178,947	(46,753)	114,017
Insurance	11,033	11,394	(361)	18,847	99,294	102,546	(3,252)	121,865
Utilities	85,090	77,150	7,940	48,603	718,312	694,350	23,962	678,970
SMG Management Fees	13,868	13,223	645	13,223	121,313	119,007	2,306	119,004
<b>Total Operating Expenses</b>	<b>340,704</b>	<b>327,214</b>	<b>13,490</b>	<b>290,853</b>	<b>2,801,391</b>	<b>2,944,926</b>	<b>(143,535)</b>	<b>2,734,705</b>
<b>Net Income(Loss) From Operations</b>	<b>440,989</b>	<b>384,710</b>	<b>56,279</b>	<b>198,410</b>	<b>777,416</b>	<b>1,136,851</b>	<b>(359,435)</b>	<b>1,243,338</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>440,989</b>	<b>384,710</b>	<b>56,279</b>	<b>198,410</b>	<b>777,416</b>	<b>1,136,851</b>	<b>(359,435)</b>	<b>1,243,338</b>



**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary**  
**For the Nine Months Ended March 31, 2011**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	21	23	63,325	58,500	197,649	221,717
Sporting Event	10	14	48,399	59,500	386,217	405,550
Concert	10	16	84,268	130,500	674,885	1,208,591
Team Home Games	39	39	226,765	214,500	578,239	465,192
Other	13	8	46,757	38,000	287,217	245,773
GRAND TOTALS	93	100	469,514	501,000	2,124,208	2,546,823

**As Percentage of Overall**

Family Show	22.58%	23.00%	13.49%	11.68%	9.30%	8.71%
Sporting Event	10.75%	14.00%	10.31%	11.88%	18.18%	15.92%
Concert	10.75%	16.00%	17.95%	26.05%	31.77%	47.45%
Team Home Games	41.94%	39.00%	48.30%	42.81%	27.22%	18.27%
Other	13.98%	8.00%	9.96%	7.58%	13.52%	9.65%

**Van Andel Arena  
Balance Sheet  
As of March 31, 2011**

**ASSETS**

**Current Assets**

Cash	4,214,744
Account Receivable	643,818
Prepaid Expenses	166,143

**Total Current Assets**

-----  
**\$5,024,705**

**Total Assets**

-----  
**\$5,024,705**  
=====

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	55,848
Accrued Expenses	483,650
Deferred Income	1,317,603
Advanced Ticket Sales & Deposits	2,094,528

**Total Current Liabilities**

-----  
**\$3,951,628**

**Other Liabilities**

**Equity**

Funds Remitted to CAA	(1,400,000)
Expenses Paid Direct by CAA	667,778
Beginning Balance Equity	1,027,882
Current Year Equity	777,417

**Total Equity**

-----  
**\$1,073,077**

**Total Liabilities and Equity**

-----  
**\$5,024,705**  
=====

5

**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of March 31, 2011**

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Current - Under 30 Days	
Food & Beverage	302,417
Ticketing	110,548
Merchandise	12,633
Permanent Advertising	-
DeVos Place	46,389
Operating	96,556
 Over 30 Days	 42,275
 Over 60 Days	 33,000
 Over 90 Days	
 Total Accounts Receivable	 643,818

**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2011**

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**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2010 Actual
Net Revenue above Expenses	810,939	(502,387)	308,552	916,360
Benchmark			700,000	700,000
Excess	810,939	(502,387)	(391,448)	216,360

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	160,417	160,417	320,834	317,343
Incentive Fee				
Revenue	4,620,127	4,708,705	9,328,832	9,777,929
Benchmark Revenue	4,800,000	4,200,000	9,000,000	8,900,000
Revenue Excess	(179,873)	508,705	328,832	877,929
Incentive Fee **	-	-	-	238,379
Total SMG Management Fee	160,417	160,417	320,834	555,722

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



## **Memorandum**

**To:** CAA Board  
CAA Finance Committee

**From:** Robert J. White

**Subject:** March 31, 2011, Administrative Financial Statements

**Date:** April 27, 2011

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The attached Balance Sheet and Income Statement have been reformatted to provide additional information concerning the Convention/Arena Authority administrative account (unconsolidated) – excluding facility manager financial activity (separately reported).

The Balance Sheet includes a two-year comparative financial position at March 31 for fiscal years 2010 and 2011. The Income Statement provides a line item comparison of accounts for the first nine months of the current fiscal year as compared to a similar period in the prior fiscal year. In addition, the Income Statement provides a comparison of current year budget to prior year (FY 2010) actual. It will allow the reader to compare interim expenditure trends with full-year budgetary allowances.

Items of interest in the two financial statements are explained as follows:

### **Balance Sheet (Unconsolidated):**

- The cash and investments position decreased by \$1.3 million from March 31, 2010. Cash balance decreased by \$3.0 million from the June 30, 2010 position due to a quick start on several capital improvement projects.
- Fund balance decreased by \$1.7 million from the March 31, 2010 level.

### **Nine-Month Revenue/Expense:**

- Parking revenues, through March 31<sup>st</sup>, have decreased by (3.8%). Area #2 deposits covering December through March were received in April. When adjusted for like periods, the increase over prior year is +5.0%. Revenue in this time period represents 75% of total annual.
- Interest income was budgeted (2% rate est.) to increase by 35%, but has declined by (39%) from actual experience in the first nine months of the prior fiscal year. The County Investment Pool is currently paying less than 1% interest. It is now expected that interest earnings will come in \$225,000 under budget forecast.

- The “Utilities” expenditure account includes electric, gas, steam, and water/sewer for the facilities. Electric represents 60% of the total. For the nine-month comparable time period, this expense is increased by 18%.
- Pedestrian safety (police overtime), while currently running significantly reduced from prior year, will see a jump by year-end. Officer billings were increased from \$47.30 in FY 2010 to \$56.44 (+19%) in the current year. The increase is primarily attributed to a significant increase in required pension contributions.
- Parking management includes city staffing and equipment maintenance expense for the DeVos Place® facility. This expense is reduced by almost (18%) from prior year. Automation achieved in September 2009 was expected to result in a 30% cost savings in the current year. Staffing reductions have not been fully realized.
- Capital R/R/A spending is increased by 505% over prior year trend. Several major projects at the Arena got off to a quick start.
- Other significant expenditure account variances are primarily due to timing issues.

Hopefully, these reports provide a more on-point analysis of administrative activities over the course of the fiscal year. These reports will be updated on a monthly basis.

**Grand Rapids-Kent County Convention/Arena Authority**  
**Balance Sheet (Unconsolidated)**  
**March 31, 2011**

		<u>2010</u>	<u>2011</u>
	<b><u>Assets</u></b>		
Cash	- Operating	\$ 95,261	\$ 217,138
Investments	- Kent County	21,395,060	20,302,366
Capital Assets (Net)		<u>659,549</u>	<u>788,841</u>
Total Assets		<u><u>\$ 22,149,870</u></u>	<u><u>\$ 21,308,345</u></u>

	<b><u>Liabilities &amp; Fund Balance</u></b>		
Accounts Payable		\$ 154,837	\$ 29,518
Fund Balance		<u>21,995,033</u>	<u>21,278,827</u>
Total Liabilities & Fund Balance		<u><u>\$ 22,149,870</u></u>	<u><u>\$ 21,308,345</u></u>

**Grand Rapids-Kent County Convention/Arena Authority**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Nine Months Ended March 31, 2011**

	Annual			Year-To-Date		
	FY 2010 Actual	FY 2011 Budget	Percentage Change	FY 2010 7/1 - 3/31	FY 2011 7/1 - 3/31	Percentage Change
<b>Revenues:</b>						
Transfers from SMG	\$ 2,819,439	\$ 2,686,472	(4.3)	\$ 950,000	\$ 2,000,000	110.5
Parking	903,979	982,616	8.7	679,778	653,617	(3.8)
Interest	322,422	435,000	34.9	232,439	142,323	(38.8)
Miscellaneous	95,217	30,000	(68.5)	31,180	27,168	(12.9)
<b>Total Revenues</b>	<b>4,141,057</b>	<b>4,134,088</b>	<b>0.2</b>	<b>1,893,397</b>	<b>2,823,108</b>	<b>49.1</b>
<b>Expenditures:</b>						
Operations						
- Utilities	2,141,458	2,197,800	(7.1)	1,535,611	1,637,523	6.6
- Parking Management	171,651	119,342	(30.5)	115,856	95,639	(17.5)
- Pedestrian Safety	85,348	85,000	(0.4)	55,500	42,720	(23.0)
- Landscaping	13,393	90,000	572.0	9,768	14,270	46.1
- DID Assessment	53,175	53,500	0.6	53,175	55,103	3.6
- Marketing	-	100,000	100.0	-	-	0.0
- Campaign	75,000	75,000	0.0	75,000	50,000	(33.3)
- CVB	25,000	25,000	0.0	25,000	25,000	0.0
- Sports Commission						
Capital R/R/A <sup>(1)</sup>						
- Capital Projects	694,145	4,108,500	845.6	514,023	3,107,606	504.6
Administration						
- Wages/Benefits	105,526	131,484	24.6	68,953	93,833	36.1
- Professional Services	74,678	71,000	(4.9)	62,963	49,308	(21.7)
- Diversity Initiative	15,106	40,000	164.8	11,074	16,368	47.8
- Procurement of Art	-	25,000	100.0	-	-	0.0
- Insurance	22,903	24,000 <sup>(2)</sup>	4.8	22,903	23,561	2.9
- Supplies/Other	54,735	105,000	38.1	23,248	24,597	7.4
<b>Total Expenditures</b>	<b>3,532,118</b>	<b>7,250,626</b>	<b>106.1</b>	<b>2,573,074</b>	<b>5,235,528</b>	<b>103.5</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>608,939</b>	<b>(3,116,538)</b>		<b>\$ (679,677)</b>	<b>\$ (2,412,420)</b>	<b>254.9</b>
<b>Balance, beginning of period</b>	<b>24,119,455</b>	<b>24,728,394</b>				
<b>Balance, end of period</b>	<b>\$ 24,728,394</b>	<b>\$ 21,611,856</b>				

NOTES:

(1)

R/R/A - Repair/Replacement/Additions

(2)

Includes an allowance of \$50,000 for an Arena long-term capital needs study





## Memorandum

**To: Members of the CAA Board**

**From: Robert White**

**Subject: Third Quarter Consolidated Budget Summary/Financial Report**

**Date: April 28, 2011**

The attached table provides an analysis of operating revenues, expenses, and capital expenditures by functional area. The analysis compares prior year actual with current year budget allowance and second quarter of prior fiscal year financial performance with third quarter current year (FY 2011) financial performance.

The attached report may be further summarized in the following manner:

	Annual			Year To Date		
	FY 2010	FY 2011	Percent	FY 2010	FY 2011	Percent
	Actual	Budget	Change	7/1-3/31	7/1-3/31	Change
Net Proceeds - VAA	\$ 1,612,431	\$ 1,334,618	(17.2)	\$1,355,628	\$ 845,483	(37.6)
- DVP	36,257	27,328	(24.6)	194,223	343,524	+76.9
- Other	(128,524)	(359,984)	(180.1)	(143,965)	(225,269)	(56.5)
Net Income*	1,520,164	1,001,962	(34.1)	1,405,886	963,738	(31.4)
Capital Expense	(434,467)	(4,108,500)		(514,023)	(3,107,606)	
Net Increase (Decrease) In Net Assets	<u>\$ 1,085,697</u>	<u>\$ (3,106,538)</u>		<u>\$ 891,863</u>	<u>\$ (2,143,868)</u>	

\*Before depreciation

Nine-month financial performance, for Van Andel Arena®, is running negative to budget based on a significant decline in concert bookings. DeVos Place® revenue trend is running 8% ahead of budget resulting in “net proceeds” running well ahead of prior-year levels. The “Other” activity (administration) is well below budget, as there has been little activity in certain non-recurring budget allowances, *i.e.*, marketing-\$100,000, procurement of Art-\$25,000, capital needs study-\$50,000.

**Grand Rapids-Kent County Convention/Arena Authority**  
**Budget Summary by Facility/Other**  
**Nine-Month Financial Trends for Period Ended March 31, 2011**

	Annual			Year-To-Date		
	FY 2010 Actual	FY 2011 Budget	Percentage Change	FY 2010 7/1 - 3/31	FY 2011 7/1 - 3/31	Percentage Change
<b>Van Andel Arena</b>						
Operating - Revenues	\$ 5,302,116	\$5,136,171	(3.1)	\$3,978,043	\$3,578,807	(10.0)
- Expenses - Facilities	(3,654,125)	(3,766,139)	3.1	(2,615,701)	(2,680,078)	2.5
- Base Management Fees	(158,672)	(160,417)		(119,004)	(121,313)	
- Incentive Fees	-	-		-	-	
Net Operating Income	1,489,319	1,209,615		1,243,338	777,416	
Parking (net of allocated expenses)	123,112	125,003		112,290	68,067	
<b>Net Proceeds from VAA</b>	1,612,431	1,334,618	(17.2)	1,355,628	845,483	(37.6)
<b>DeVos Place Convention Center</b>						
Operating - Revenues	4,475,813	4,507,596	0.7	3,457,990	3,757,430	8.7
- Expenses - Facilities	(4,890,100)	(5,058,122)	3.4	(3,593,395)	(3,783,504)	5.3
- Base Management Fees	(158,672)	(160,417)		(119,004)	(120,313)	
- Incentive Fees	-	-		-	-	
Net Operating Loss	(572,959)	(710,943)		(254,409)	(146,387)	
Parking (net of allocated expenses)	609,216	738,271		448,632	489,911	
<b>Net Proceeds (Cost) of DVP</b>	36,257	27,328	(24.6)	194,223	343,524	76.9
<b>Other</b>						
Revenues						
Interest	322,422	435,000		232,439	142,323	
Miscellaneous	95,217	30,000		31,180	27,168	
	417,639	465,000	11.5	263,619	169,491	(35.7)
Expenses						
Marketing Campaign	-	100,000		-	-	
Pedestrian Safety	85,348	85,000		55,500	42,720	
Landscaping	13,393	90,000		9,768	14,270	
Administration	447,422	549,984		342,316	337,770	
Repair/Maintenance	-	-		-	-	
	546,163	824,984	51.1	407,584	394,760	(3.1)
<b>Net Other</b>	(128,524)	(359,984)		(143,965)	(225,269)	
<b>Total Operating</b>	<u>\$ 1,520,164</u>	<u>\$ 1,001,962</u>	(34.1)	<u>\$ 1,405,886</u>	<u>\$ 963,738</u>	(31.4)
Capital Expenditures	434,467	4,108,500		514,023	3,107,606	
Results Net of Capital Expenditures	<u>\$ 1,085,697</u>	<u>\$ (3,106,538)</u>		<u>\$ 891,863</u>	<u>\$ (2,143,868)</u>	

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

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A  
PARKING OPERATION AGREEMENT WITH THE CITY OF GRAND  
RAPIDS**

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

**WHEREAS**, the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") controls the operation of DeVos Place, a performing arts/convention/entertainment facility (the "Convention Center") including 690 parking spaces located in the lower level of the Convention Center (the "Parking Spaces"); and

**WHEREAS**, the CAA and the City of Grand Rapids (the "City") previously entered into a Parking Operation Agreement dated July 1, 2008, related to the Parking Spaces which expires June 30, 2011; and

**WHEREAS**, the CAA and the City desire to continue their relationship with respect to the Parking Spaces for a three year term beginning July 1, 2011, and ending June 30, 2014, and have agreed to enter into a new Parking Operation Agreement (the "Agreement") setting forth the terms and conditions for the operation of the Parking Spaces.

**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 content by the CAA Chairman and as to form by the CAA's counsel is approved.
2. That the Chairman of the CAA is authorized and directed to execute the Agreement for and on behalf of the City.

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: May 5, 2011

\_\_\_\_\_  
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 on May 5, 2011, 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: May 5, 2011

\_\_\_\_\_  
Susan M. Waddell  
Administrative Manager/Recording Secretary

## **PARKING OPERATION AGREEMENT**

**THIS PARKING OPERATION AGREEMENT** (the "Agreement") is made as of July 1, 2011, by and between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a Michigan statutory authority (the "CAA" or "Authority"), and the **CITY OF GRAND RAPIDS**, a Michigan municipal corporation (the "City").

### **PREMISES**

A. The CAA controls the operation of DeVos Place, a performing arts/convention/entertainment facility located at 303 Monroe Avenue, N.W., in the City (the "Convention Center"), including 690 parking spaces located in the lower level of the Convention Center identified on Exhibit A attached hereto (the "Parking Spaces").

B. The Operating Agreement dated as of March 29, 2000 (the "Operating Agreement"), between the County of Kent (the "County") and the City related to the Convention Center provides that (a) "all parking facilities constituting a portion of the Convention Center shall be operated by the City's Parking System under the direction of the Authority with any net income in a fiscal year of the Authority, after deduction of operating expenses, belong to the Authority" and (b) "the Authority shall make available to the County and the City, for employees and other users the parking spaces in the Convention Center parking facilities at a cost equal to a pro rata share of operating expenses."

C. The CAA and the City previously entered into a Parking Operation Agreement dated July 1, 2008, related to the Parking Spaces which expires June 30, 2011.

D. The CAA and the City desire to enter into this Agreement setting forth (a) the terms and conditions for the continued operation of the Parking Spaces and (b) the basis for providing, including the determination of cost, the Parking Spaces to the County and the City.

**NOW, THEREFORE**, in consideration of the mutual promises set forth below, the parties agree as follows:

**Section 1. Operation of Parking Spaces.** Subject to the terms and conditions of this Agreement, the City, through its Parking Services Department (the "Department"), shall be responsible for the operation of the Parking Spaces.

**Section 2. Parking Control Equipment.** The CAA shall at its cost be responsible for providing, replacing and upgrading at each entry/exit to the Parking Spaces parking control equipment compatible with the City's Automobile Parking System (the "System") and, where required, attendant booths of the same or similar quality as booths located in City-owned parking ramps within the System. The City shall be responsible for the maintenance of such parking control equipment and attendant booths. In this regard, the City currently maintains its parking control equipment throughout the System pursuant to a maintenance agreement with an outside vendor and has included the Convention Center Parking Spaces parking control equipment in such maintenance agreement and will include the Convention Center Parking Spaces parking control equipment in any future maintenance agreements and will pass such additional costs

related to such parking control equipment on to the CAA as an operational cost which the CAA agrees to pay.

**Section 3. Conditions of Operation.** The operation of the Parking Spaces by the Department shall be subject to the following conditions:

- (a) Unless otherwise agreed by the CAA and the City, the Department shall be responsible for providing:
  - 1. Attendant staffing as and to the level mutually determined necessary by the CAA's Owner's Representative and the Department.
  - 2. Security/customer service "red car" patrol at the same level provided to parking lots and ramps in the System during those times that the Parking Spaces are available for public monthly pass, daily in/out or special event use. It is understood that the CAA has installed and will maintain and monitor security cameras throughout the area of the Parking Spaces as a part of the Convention Center's overall security system.
  - 3. Supervision of Department personnel performing services pursuant to this Agreement related to the Parking Spaces and related administrative services including management and accounting services.
- (b) The level of operation provided shall, except as otherwise provided in this Agreement, be equal to that provided by the Department to City-owned ramps operated and maintained by the Department.
- (c) The City, including the Department, shall not be responsible for any maintenance of the Parking Spaces.

**Section 4. Utilities.** The CAA shall be responsible for furnishing and paying for utilities related to the space occupied by the Parking Spaces, including electricity for lighting and parking control equipment and electric and telephone lines for attendant booths.

**Section 5. Hours of Operation.** The CAA's Owner's Representative shall determine the hours of operation of the Parking Spaces for both event and non-event days.

**Section 6. City and County Use of Parking Spaces.** Pursuant to the terms of the Operating Agreement, the CAA is required to make the Parking Spaces available to the County and the City for employees and other users on a prepaid monthly pass basis. When such spaces are requested by the County or the City, the Department shall work with the CAA to facilitate making the requested spaces available. Unless otherwise mutually agreed by the City and CAA, the City agrees that it will maintain from time to time at the Government Center Parking Ramp located across Monroe Avenue from the Convention Center (the "Government Center Ramp") as daily/special event spaces (without in and out privileges) parking spaces of an equal number to the number of spaces that have moved from the Government Center Ramp to the Parking Spaces at the request of the City.

**Section 7. Monthly Parking Passes.** Except for the monthly parking passes required to be made available to the City and County pursuant to Section 6 hereof, the total number of monthly parking passes issued at any one time for the Parking Spaces shall be approved by the CAA's Owner's Representative.

**Section 8. Establishment of Parking Rates.** Rates charged for use of the Parking Spaces, except those made available to the County and City pursuant to Section 6 hereof, shall be as determined from time to time by the CAA after receiving input from the Department, *provided, however*, such (i) prepaid daily maximum rate shall not be less than 100% of the similar rate charged at the Government Center Ramp and (ii) the hourly visitor rate, prepaid monthly pass rate and special event rates shall not be less than those similar rates charged at the Government Center Ramp unless the CAA and the City otherwise mutually agree. In order to accommodate the Department's parking control equipment throughout the System, the CAA agrees, whenever possible, to coordinate any change in rates for the Parking Spaces so that the effective date of such change takes place at the same time as the effective date of a change in rates by the City for public parking facilities owned by the City and operated by the Department.

**Section 9. Establishment of Parking Rates for County and City Use.** In accordance with the provisions of the Operating Agreement, parking spaces made available to the County and City pursuant to Section 6 hereof are to be provided at a cost equal to the pro rata share of the operating and maintenance expenses of the Parking Spaces used by the County and City. The Department shall with the assistance of the CAA's Owner's Representative determine such cost annually in conjunction with its annual facilities update. Costs to be incorporated in the rate established for the County and the City shall include the Department's operating costs, including the cost of maintaining the parking control equipment for the Parking Spaces and a reasonable management fee related to the Parking Spaces (the "Department Operating Costs") and a pro rata share of the cost of maintenance and other services incurred by the CAA in connection with the Parking Spaces such as a pro rata share of utility costs, elevator maintenance, insurance premiums and building security and maintenance costs related to the Parking Spaces for services performed by the CAA's Owner's Representative or other entity(ies) the CAA contracts with to provide such services (collectively, with the Department Operating Costs, the "Parking Spaces Operating and Maintenance Costs"). For each fiscal year during the term of this Agreement beginning with the fiscal year commencing July 1, 2011, the rate established for the City and the County (the "CC Rate") shall be determined based on estimated costs for such fiscal year plus an upward or downward adjustment to reflect the recovery of actual costs versus estimated costs for the prior fiscal year (the "Adjustment"). The CC Rate for the County and City shall be determined by dividing the total number of monthly passes for the Parking Spaces issued by the Department at the time of such determination (but such number shall never be less than the number of Parking Spaces) into the Parking Spaces Operating and Maintenance Costs plus or minus the Adjustment for such fiscal year. The Department shall make available to the CAA's Owner's Representative the calculation of such CC Rate for review and approval prior to the implementation of such CC Rate. It is understood that for the purpose of determining the CC Rate, Parking Spaces Operating and Maintenance Costs will not be allocated to daily in/out parkers and event parkers.

**Section 10. Preparation and Approval of Annual Budget.** The Department shall prepare and submit to the CAA's Owner's Representative for approval an operating cost budget for the services it is required to perform pursuant to this Agreement for the Parking Spaces for

the ensuing fiscal year. Annual budgets shall be submitted at least 90 days prior to the beginning of the CAA's fiscal year (July 1).

**Section 11. Review of Procedures for Establishing Parking Rates and Other Matters.** The CAA through its Owner's Representative and the City through the Department agree to meet to review the procedures used to establish rates pursuant to Sections 8 and 9 hereof and, if based on such review, it is mutually agreed to revise such procedures, to amend this Agreement to reflect such revisions. In addition, the CAA through its Owner's Representative and the Department agree to communicate regularly as necessary concerning the levels of operation service provided for the Parking Spaces and to meet and review such levels of service on an annual basis.

**Section 12. Collection and Deposit of Receipts and Payment of Department Operating Costs.** The Department shall bill and collect all revenues for the Parking Spaces based on rates established pursuant to Sections 8 and 9 hereof and cause any such receipts generated from hourly, daily or event collections to be deposited daily in a CAA bank account pursuant to written instructions from the CAA's Owner's Representative. Bill receipts generated from credit card, validation accounts and monthly card holder fees will be accounted for on a monthly basis and subtracted from the monthly operating costs billing invoices. The Department shall bill the CAA for Department Operating Costs on a calendar month basis. The billing invoice shall contain "line item" detail and documentation verifying such Department Operating Costs shall be promptly made available by the Department to the CAA's Owner's Representative upon request. The CAA shall pay such invoices within 30 days of their receipt. If the CAA has any questions regarding an invoice, it shall promptly notify the Department and the CAA's Owner's Representative and the Department shall promptly meet to resolve such questions and make any required adjustments in the invoice.

**Section 13. Term.** The Agreement shall be for a term commencing on July 1, 2011, and ending June 30, 2014, subject to the right of either party to terminate the Agreement early on July 1 of any year by giving written notice to the other party at least one year prior to the termination date.

**Section 14. Indemnification.** The City shall indemnify the CAA and its officers, boardmembers, employees and agents (the "CAA Indemnified Parties" or "CAA Indemnified Party") against, and save the CAA Indemnified Parties harmless from, any and all liabilities, obligations, damages, penalties, costs and expenses, including reasonable attorneys fees, paid or incurred by the CAA Indemnified Parties and arising from the City's or the City's invitees use of the Parking Spaces except such as arise from the willful acts or negligence of the CAA Indemnified Parties. If any action or proceeding is brought against a CAA Indemnified Party, by reason of any such claim, the City will, upon written notice from the CAA Indemnified Party, at the City's expense, resist or defend such action or proceeding by counsel approved by the CAA Indemnified Party in writing. In providing the indemnification set forth above, the City is not waiving any defenses otherwise available to it by law; provided such defenses are also available to, and asserted by, the City for the CAA Indemnified Parties. The City shall not be responsible for the indemnification obligations set forth above with respect to any CAA Indemnified Party to the extent that a CAA Indemnified Party has waived a defense which was otherwise available to it by law.



**Section 15. Notices.** All notices and other communications to be given pursuant to this Agreement shall be given in writing and delivered personally, by certified or registered mail (return receipt requested, postage prepaid) or by facsimile to the appropriate party at its address or facsimile number set forth below:

With a copy to:

City of Grand Rapids  
Parking Services Department  
50 Ottawa Avenue, N.W.  
P.O. Box 1968  
Grand Rapids, Michigan 49501-1968  
Attention: Parking Services Director  
Facsimile Number: (616) 456-4322

GRAPIDS 61448-165 261460v1

## **Section 16. General Provisions.**

(a) This Agreement constitutes the entire agreement between the CAA and the City related to the subject matter hereof, i.e., the operation of the Parking Spaces, and may be modified or amended in whole or in part from time to time only by mutual written agreement of the CAA and the City.

(b) As used in this Agreement the term "Owner's Representative" shall mean the general manager of the Convention Center or such other person as shall be designated to the Department by the CAA in writing.

(c) This Agreement shall be interpreted in accordance with the laws of the State of Michigan.

(d) Nothing in this Agreement is intended by the parties hereto to create, nor shall anything in it be construed as creating, any obligations to, or rights in, any party not a signatory to this Agreement that would not exist independent of this Agreement.

(e) If any particular portion of this Agreement is rendered invalid, illegal, unenforceable or otherwise of no effect, the remaining provisions of this Agreement shall remain in full force and effect so that the essence and intent of this Agreement is preserved.

(f) A failure of either party to give notice or insist upon the immediate performance of any right that it has under this Agreement shall not constitute a waiver of that right or any other right under this Agreement.

(g) The section headings of this Agreement are for convenience only and shall not be considered a part of the substance of this Agreement or affect the interpretations of this Agreement.

(h) This Agreement shall not be assigned, transferred or conveyed by either party without the prior written consent of the other party.

(i) The City shall act solely as an independent contractor with respect to the operation of the Parking Spaces. The relationship of the City and the CAA under this Agreement shall in no way be construed to create a joint venture or partnership, or to constitute either party as an agent or employee of the other for any purpose.

**IN WITNESS WHEREOF**, the parties have signed this Agreement on the day first written above.

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

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Steven R. Heacock, Chairman

**CITY OF GRAND RAPIDS**

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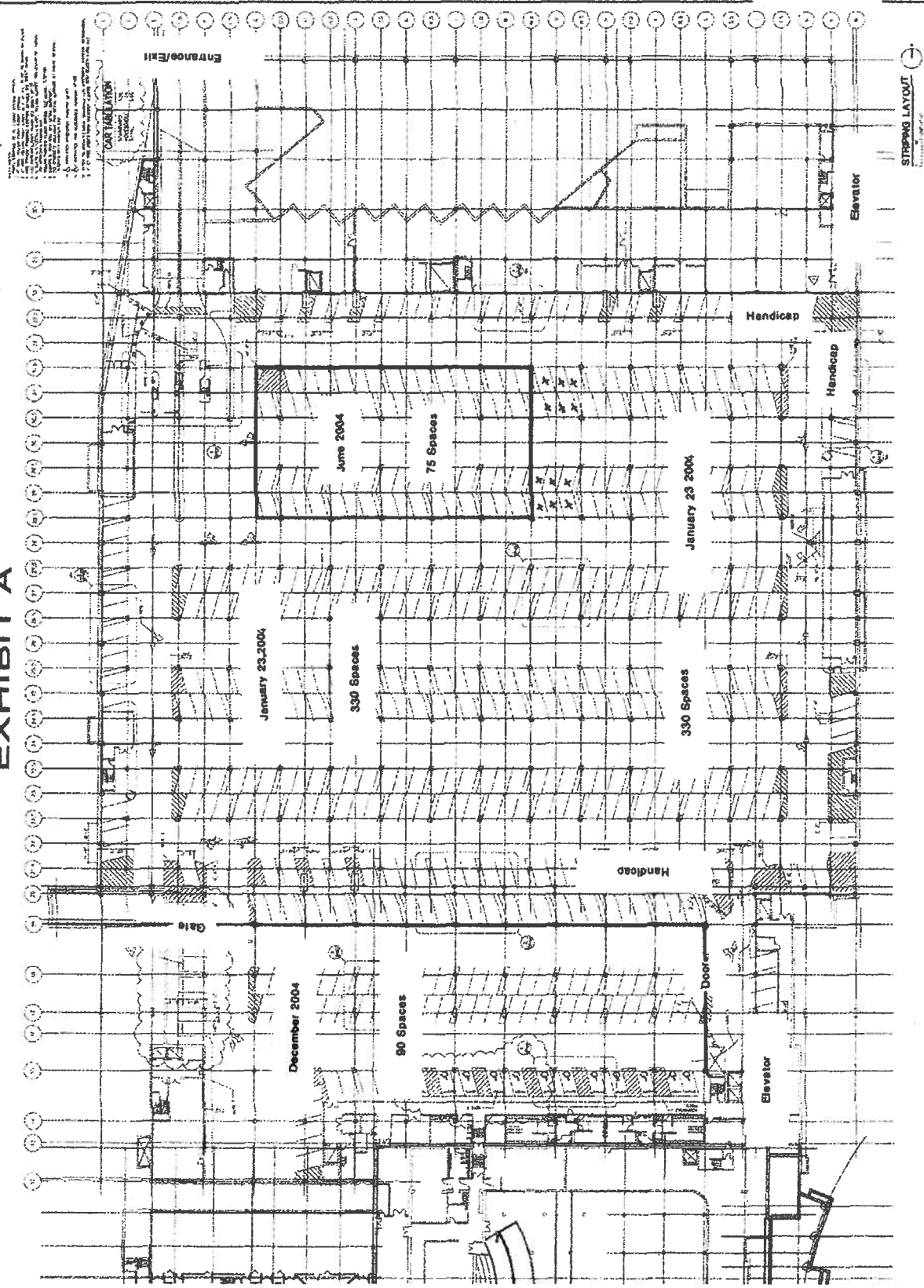
George K. Heartwell, Mayor

Attest:

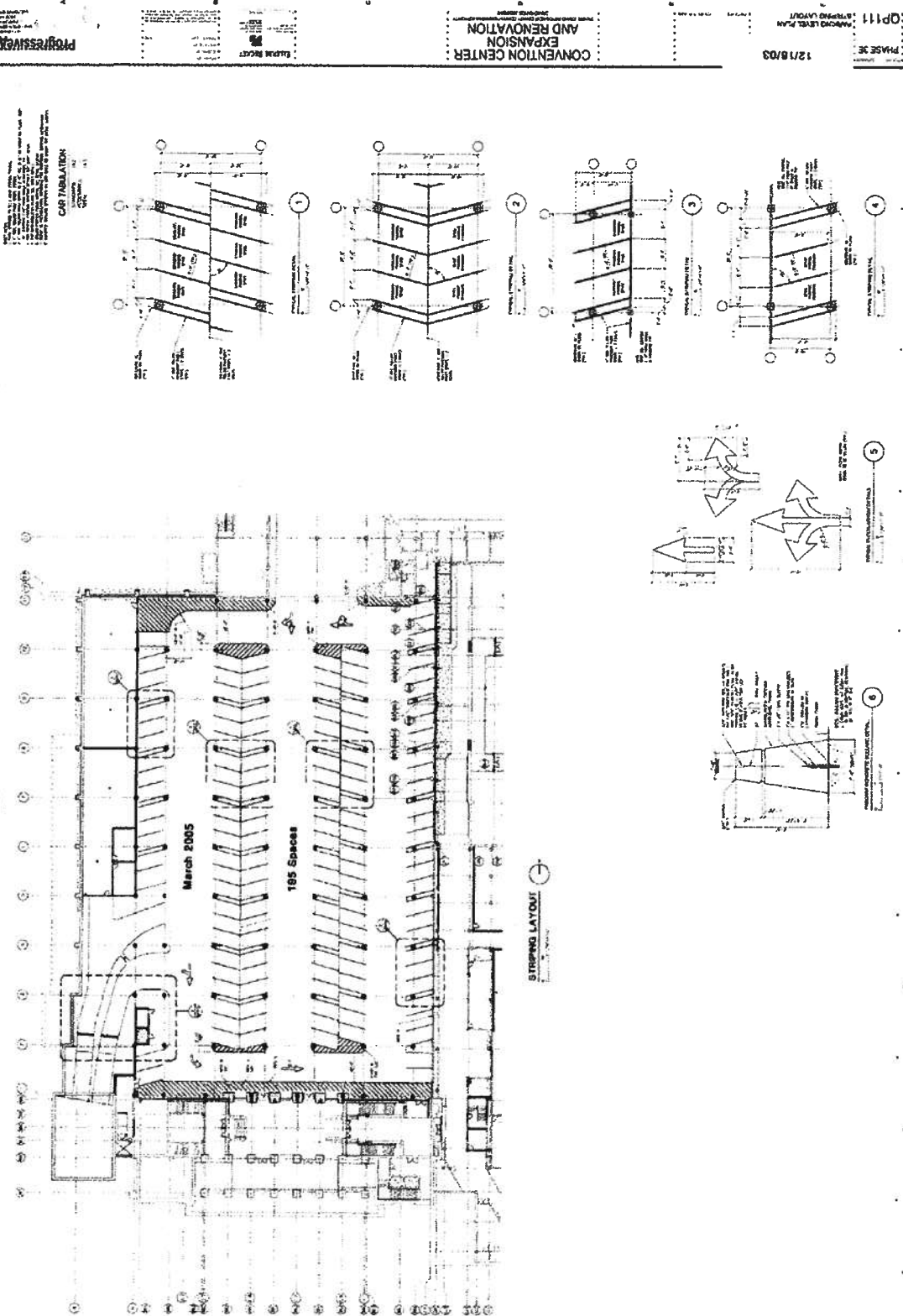
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Lauri S. Parks, City Clerk

**EXHIBIT A**



# EXHIBIT A Page 2





## Memorandum

**To:** Grand Rapids – Kent County  
Convention/Arena Authority

**From:** Robert J. White

**Date:** May 5, 2011

**Re:** DeVos Place® Parking Operation Agreement

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The Board agenda for May 6, 2011, includes a proposed resolution and agreement providing for operation of the DeVos Place® parking facility, for a three-year period beginning on July 1, 2011, and ending on June 30, 2014. This is a renewal of an agreement between the parties which dates from the original opening of the facility in calendar year 2005.

The only change of significance in the agreement is included in Section 8, on page 3, where final decision making authority for the establishment of parking rates is vested in the Convention/Arena Authority Board. This change will allow the Authority Board discretion to set rates which are deemed to be in the best interests of the convention facility.

The current and proposed rates for the DeVos Place® parking facility are noted as follows:

	Parking Rates	
	Current FY 2011	Proposed FY 2012
DeVos Place Parking Rates:		
30 Minutes	\$ 1.00	\$ 1.00
Daily Maximum	10.00	12.00
Overnight surcharge	-	6.00
Event	7.00	8.00
Monthly -Public	142.50	150.00
-Reserved Premium	52.50	52.50
-County/SMG (O+M)	18.31	45.00 est.

It is expected that the change in event rate will generate approximately \$60,000 per annum, while the increase in the County/SMG monthly rate will generate approximately \$60,000 per annum. The "County/SMG" rate reflects solely the operating and maintenance costs associated with the parking facility. In FY 2011, the rate was significantly reduced to reflect the anticipated

full-year savings to be derived from automation of the parking revenue control equipment. The increase is dictated in part by the fact that operating savings will not be as great as those originally anticipated. In addition, the rate increase reflects a once-every-several-year sealing/restriping of the facility and one-time surcharge to collect for the shortfall anticipated for FY 2011. It is anticipated these new rates would take effect on or about July 1, 2011.

A brief history of the revenues and expenses related to this parking facility is noted as follows:

	<b>FY 2009</b>	<b>FY 2010</b>	<b>Est. FY 2011</b>	<b>Est. FY 2012</b>
Revenues	\$822,559	\$780,867	\$805,000	\$930,000
Expenses	(221,029)	(171,651)	(194,081)	(213,579)
Net	<u>\$601,530</u>	<u>\$609,216</u>	<u>\$610,919</u>	<u>\$716,421</u>

# DEVOS PLACE

## DE VOS PLACE

OPERATING BUDGET  
FISCAL YEAR ENDING JUNE 30, 2012

**\*\*\*INCLUDES MARCH ROLLING FORECAST\*\*\***

**Distribution:**

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Hank Abate

Gary McAneney

Howard Feldman

Richard MacKeigan

Chris Machuta



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*An SMG Managed Facility*



DeVos Place  
Fiscal Year Ending June 30, 2012  
Lead Income Statement

Event Income

Direct Event Income

Rental Income	2,577,530	2,710,042	(132,512)	-4.89%
Service Income	1,943,940	1,890,329	53,611	2.84%
Service Expenses	(1,990,300)	(2,037,064)	46,764	-2.30%
Total Direct Event Income	2,531,170	2,563,307	(32,137)	-1.25%

FY 2010 Actual	Variance More / (Less)	Percentage Change Increase (Decrease)
2,492,062	85,468	3.43%
2,168,236	(224,296)	-10.34%
(2,212,444)	222,144	-10.04%
2,447,854	83,316	3.40%

Ancillary Income

F & B Concessions	127,931	154,520	(26,589)	-17.21%
F & B Catering	554,520	577,987	(23,467)	-4.06%
Novelty Sales	15,100	13,549	1,551	11.45%
Booth Cleaning	266,815	284,156	(17,341)	-6.10%
Telephone/Long Distance	21,500	18,225	3,275	17.97%
Electrical Services	414,600	429,571	(14,971)	-3.49%
Audio Visual	277,200	254,321	22,879	9.00%
Internet Services	44,000	50,002	(6,002)	-12.00%
Equipment Rental	168,600	170,075	(1,475)	-0.87%
Total Ancillary Income	1,890,266	1,952,406	(62,140)	-3.18%

144,379	(16,448)	-11.39%
541,299	13,221	2.44%
14,973	127	0.85%
237,495	29,320	12.35%
4,395	17,105	389.19%
411,817	2,783	0.68%
290,952	(13,752)	-4.73%
49,831	(5,831)	-11.70%
148,271	20,329	13.71%
1,843,412	46,854	2.54%

Other Event Income

Ticket Rebates (Per Event)	163,245	142,000	21,245	14.96%
Total Other Event Income	163,245	142,000	21,245	14.96%

139,236	24,009	17.24%
139,236	24,009	17.24%

Total Event Income

4,584,681	4,657,713	(73,032)	-1.57%
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4,430,502	154,179	3.48%
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Other Operating Income

55,000	50,992	4,008	7.86%
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45,311	9,689	21.38%
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Adjusted Gross Income

4,639,681	4,708,705	(69,024)	-1.47%
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4,475,813	163,868	3.66%
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Operating Expenses

Employee Salaries and Wages	2,778,139	2,781,569	3,430	0.12%
Benefits	720,240	789,503	69,263	8.77%
Less: Event Labor Allocations	(1,476,327)	(1,551,487)	(75,160)	4.84%
Net Employee Wages and Benefits	2,022,052	2,019,585	(2,467)	-0.12%
Contracted Services	280,080	293,325	13,245	4.52%
General and Administrative	341,700	338,344	(3,356)	-0.99%
Operations	117,741	92,217	(25,524)	-27.68%
Repair & Maintenance	503,065	423,765	(79,300)	-18.71%
Supplies	229,000	177,232	(51,768)	-29.21%
Insurance	206,301	191,147	(15,154)	-7.93%
Utilities	1,553,400	1,515,060	(38,340)	-2.53%
SMG Management Fees	161,845	160,417	(1,428)	-0.89%
Total Operating Expenses	5,415,184	5,211,092	(204,092)	-3.92%

2,723,993	(54,146)	-1.99%
738,508	18,268	2.47%
(1,507,507)	(31,180)	2.07%
1,954,994	(67,058)	-3.43%
300,870	20,790	6.91%
288,747	(52,953)	-18.34%
107,023	(10,718)	-10.01%
471,784	(31,281)	-6.63%
168,882	(60,118)	-35.60%
233,403	27,102	11.61%
1,364,395	(189,005)	-13.85%
158,672	(3,173)	-2.00%
5,048,770	(366,414)	-7.26%

Net Income (Loss) From Operations

(775,503)	(502,387)	(273,116)	54.36%
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(572,957)	(202,546)	35.35%
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Other Income (Expenses)

-	-	-	-
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-	-	-	-
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Net Income After Other Income (Expenses)

(775,503)	(502,387)	(273,116)	54.36%
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(572,957)	(202,546)	35.35%
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DeVos Place  
Fiscal Year Ending June 30, 2012  
Lead Income Statement

		Prior Year FY 2011 Rolling Forecast	Variance More / (Less)
	Total		
Gross Services Billed			
Advertising	30,045	29,216	829
Changeover	10,440	10,153	287
Stagehands	1,133,762	1,161,628	(27,866)
Security	228,149	197,217	30,932
Ushers/Ticket Takers	147,219	143,159	4,060
Box Office - Labor	18,733	18,217	516
Box Office - Ticketing Services	194,475	154,617	39,858
Utilities	9,864	9,592	272
City/Police/Fire	15,974	15,534	440
EMT's	34,400	33,452	948
Cleaning	33,720	32,790	930
Insurance	4,971	4,834	137
Group Sales Commission	1,900	1,848	52
Telephone	3,144	3,057	87
Other Production	77,143	75,016	2,127
Total Services Billed	1,943,940	1,890,329	53,609
Gross Services Expense			
Advertising	49,283	50,440	(1,157)
Stagehands	1,023,313	1,047,356	(24,043)
Security	295,985	302,940	(6,955)
Ushers/Ticket Takers	94,162	96,375	(2,213)
Box Office - Labor	23,042	23,583	(541)
Box Office - Ticketing Services	42,965	43,974	(1,009)
City/Police/Fire	10,760	11,013	(253)
EMT's	29,343	30,032	(689)
Cleaning	312,158	319,492	(7,334)
Insurance	4,132	4,229	(97)
Group Sales Commission	1,574	1,611	(37)
Telephone	598	612	(14)
Other Production	102,986	105,406	(2,420)
Total Services Expense	1,990,300	2,037,064	(46,762)
Total Service Income (Loss)	(46,360)	(146,735)	100,371

**SMG DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary Report**  
**For Fiscal Year Ending June 30, 2012**

Event Type	Events/Days		Attendance	Rent	Service	Ancillary	Total	FY 2011	Variance
	FY 2012	FY 2011							
Convention/Trade Shows	125	134	145,000	980,000	(70,000)	953,000	1,863,000	1,794,894	68,106
Consumer/Gated Shows	50	50	140,000	653,000	(16,000)	285,225	922,225	961,256	(39,031)
Banquets	36	37	23,400	85,680	(19,500)	197,280	263,460	268,513	(5,053)
Meetings	80	85	24,000	175,000	(9,000)	163,850	329,850	326,054	3,796
Other	40	45	18,000	155,000	(20,000)	189,855	324,855	325,309	(454)
Devos Performance Hall	20	20	25,000	120,000	-	87,500	207,500	269,038	(61,538)
Arts Groups	126	137	137,600	408,850	88,140	176,801	673,791	712,649	(38,858)
GRAND TOTALS	477	508	513,000	2,577,530	(46,360)	2,053,511	4,584,681	4,657,713	(73,032)



# **VAN ANDEL ARENA**

**OPERATING BUDGET  
FISCAL YEAR ENDING JUNE 30, 2012**

**\*\*\*INCLUDES MARCH ROLLING FORECAST\*\*\***

**Distribution:**

Grand Rapids – Kent County Convention / Arena Authority  
Robert White  
Hank Abate  
Gary McAneney  
Howard Feldman  
Richard MacKeigan  
Chris Machuta



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*An SMG Managed Facility*

Van Andel Arena  
Fiscal Year Ending June 30, 2012  
Lead Income Statement

Event Income

Direct Event Income

	FY 2012 Budget	Prior Year FY 2011 Rolling Forecast	Variance More / (Less)	Percentage Change Increase (Decrease)
Rental Income	1,705,703	1,498,929	206,774	13.79%
Service Income	1,259,835	1,333,324	(73,489)	-5.51%
Service Expenses	(1,706,090)	(1,835,477)	129,387	-7.05%
Total Direct Event Income	1,259,448	996,776	262,672	26.35%

	Prior Year FY 2011 Actual	Variance More / (Less)	Percentage Change Increase (Decrease)

	1,829,252	(123,549)	-6.75%
	1,865,280	(605,445)	-32.46%
	(2,217,841)	511,751	-23.07%
	1,476,691	(217,243)	-14.71%

Ancillary Income

F & B Concessions	916,306	986,011	(69,705)	-7.07%
F & B Catering	64,778	83,081	(18,303)	-22.03%
Novelty Sales	89,671	98,689	(9,018)	-9.14%
Booth Cleaning	-	1,055	(1,055)	-100.00%
Other Ancillary	30,800	30,776	24	0.08%
Total Ancillary Income	1,101,555	1,199,612	(98,057)	-8.17%

	1,104,694	(188,388)	-17.05%
	87,813	(23,035)	-26.23%
	101,664	(11,993)	-11.80%
	1,065	(1,065)	-100.00%
	33,620	(2,820)	-8.39%
	1,328,856	(227,301)	-17.11%

Other Event Income

Ticket Rebates (Per Event)	426,990	385,500	41,490	10.76%
Total Other Event Income	426,990	385,500	41,490	10.76%

	380,498	46,492	12.22%
	380,498	46,492	12.22%

Total Event Income

	2,787,993	2,581,888	206,105	7.98%
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	3,186,045	(398,052)	-12.49%
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Other Operating Income

	2,208,450	2,038,239	170,211	8.35%
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	2,116,071	92,379	4.37%
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Adjusted Gross Income

	4,996,443	4,620,127	376,316	8.15%
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	5,302,116	(305,673)	-5.77%
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Operating Expenses

Employee Salaries and Wages	1,931,080	1,869,643	(61,437)	-3.29%
Benefits	540,414	497,036	(43,378)	-8.73%
Less: Event Labor Allocations	(873,667)	(812,657)	61,010	-7.51%
Net Employee Wages and Benefits	1,597,827	1,554,022	(43,805)	-2.82%
Contracted Services	265,680	249,753	(15,927)	-6.38%
General and Administrative	333,100	344,755	11,655	3.38%
Operations	56,900	45,343	(11,557)	-25.49%
Repair & Maintenance	211,185	176,165	(35,020)	-19.88%
Supplies	210,600	187,258	(23,342)	-12.47%
Insurance	130,085	132,392	2,307	1.74%
Utilities	958,000	959,083	1,083	0.11%
SMG Management Fees	161,845	160,417	(1,428)	-0.89%
Total Operating Expenses	3,925,222	3,809,188	(116,034)	-3.05%

	1,923,507	(7,573)	-0.39%
	491,236	(49,178)	-10.01%
	(811,330)	62,337	-7.68%
	1,603,413	5,586	0.35%
	236,105	(29,575)	-12.53%
	328,126	(4,974)	-1.52%
	39,819	(17,081)	-42.90%
	198,384	(12,801)	-6.45%
	155,769	(54,831)	-35.20%
	160,393	30,308	18.90%
	932,113	(25,887)	-2.78%
	158,672	(3,173)	-2.00%
	3,812,794	(112,428)	-2.95%

Net Income (Loss) From Operations

	1,071,221	810,939	260,282	32.10%
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	1,489,322	(418,101)	-28.07%
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Other Income (Expenses)

	-	-	-	
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	-	-	
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Net Income After Other Income (Expenses)

	1,071,221	810,939	260,282	32.10%
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	1,489,322	(418,101)	-28.07%
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Van Andel Arena  
Fiscal Year Ending June 30, 2012  
Summary of Service Income

		Prior Year FY 2011 Rolling Forecast	Variance More / (Less)
	Total		
<b>Gross Services Billed</b>			
Advertising	327,881	347,007	(104,155)
Labor	10,617	11,236	(2,696)
Changeover	73,959	78,273	(19,250)
Stagehands	396,024	419,125	(105,879)
Security	60,905	64,458	(15,705)
Ushers/Ticket Takers	53,458	56,577	(12,613)
Box Office - Labor	4,441	4,700	(797)
Box Office - Ticket Service	63,034	66,711	(18,445)
City/Police/Fire	6,127	6,484	(1,783)
EMT's	9,440	9,990	(2,786)
Cleaning	56,176	59,453	(12,058)
Group Sales Commission	16,086	17,024	(5,600)
Telephone	9,596	10,156	(2,841)
Other Production	172,092	182,130	(73,011)
<b>Total Service Income Billed</b>	<b>1,259,835</b>	<b>1,333,324</b>	<b>(377,618)</b>
<b>Gross Services Expense</b>			
Advertising	317,780	341,880	(24,100)
Labor	7,671	8,252	(581)
Contracted Changeover	120,035	129,139	(9,104)
Stagehands	374,907	403,339	(28,432)
Contracted Security	148,275	159,520	(11,245)
Contracted Ushers/Ticket Takers	132,858	142,933	(10,075)
Box Office Labor	3,018	3,247	(229)
Contracted Ticketing Service	50,853	54,710	(3,857)
City/Police/Fire	12,579	13,533	(954)
Contracted EMT's	18,195	19,575	(1,380)
Contracted Cleaning	126,249	135,824	(9,575)
Group Sales Commission	5,917	6,365	(448)
Allocated Telephone	2,554	2,748	(194)
Other Production Expense	385,200	414,413	(29,213)
<b>Total Services Expense</b>	<b>1,706,090</b>	<b>1,835,477</b>	<b>(129,387)</b>
<b>Total Service Income (Loss)</b>	<b>(446,255)</b>	<b>(502,153)</b>	<b>(248,231)</b>

**SMG Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary Report**  
**For Fiscal Year Ending June 30, 2012**

Event Type	Events/Days		Attendance	Rent	Service	Ancillary	Total	FY 2011	Variance
	FY 2012	FY 2011							
Family Shows	22	21	61,500	224,800	(112,931)	100,916	212,785	197,649	15,136
Sports	9	10	40,000	147,900	(57,921)	136,676	226,655	386,217	(159,562)
Concerts	21	16	181,500	816,503	55,800	779,223	1,651,526	1,049,488	602,038
Griffins	38	40	224,200	388,000	(301,920)	453,440	539,520	599,618	(60,098)
Other	10	17	35,000	128,500	(29,283)	58,290	157,507	348,916	(191,409)
GRAND TOTALS	100	104	542,200	1,705,703	(446,255)	1,528,545	2,787,993	2,581,888	206,105

**SMG - Van Andel Arena / DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Full Time Employee Summary & Allocation**  
**Fiscal Year Ending June 30, 2012**

Position	F/Y 2011			F/Y 2012			Change
	VAA	DVP	Total	VAA	DVP	Total	
General Manager	0.50	0.50	1.00	0.50	0.50	1.00	-
Administrative Assistant	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Finance	0.50	0.50	1.00	0.50	0.50	1.00	-
Accounting Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Accounting Support	1.50	1.50	3.00	1.50	1.50	3.00	-
Box Office Manager	0.80	0.20	1.00	0.80	0.20	1.00	-
Assistant Box Office Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Premium Seat/Suite	1.00	-	1.00	1.00	-	1.00	-
Box Office Support	1.00	-	1.00	1.00	-	1.00	-
Director of Marketing	0.50	0.50	1.00	0.50	0.50	1.00	-
Marketing Manager	1.00	-	1.00	1.00	-	1.00	-
Marketing Support	1.00	-	1.00	1.00	-	1.00	-
Group Sales Manager	1.00	-	1.00	1.00	-	1.00	-
Assistant General Manager - Ops	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Facilities	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Assistant	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Support	4.00	7.00	11.00	4.00	6.00	10.00	(1.00)
Operations Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Operations Support	9.00	8.00	17.00	9.00	8.00	17.00	-
MIS/IT		1.00	1.00		1.00	1.00	-
Assistant General Manager - Sales	-	1.00	1.00	-	1.00	1.00	-
Director of Sales	-	1.00	1.00	-	1.00	1.00	-
Sales Manager		1.00	1.00		1.00	1.00	-
Sales Support	-	1.00	1.00	-	1.00	1.00	-
Director of Event Services	-	1.00	1.00	-	1.00	1.00	-
Event Coordinators	2.00	4.00	6.00	1.00	4.00	5.00	(1.00)
House Manager		1.00	1.00		1.00	1.00	-
Receptionist/Admin Support	1.00	1.00	2.00	1.00	1.00	2.00	-
<b>Total</b>	<b>29.46</b>	<b>35.54</b>	<b>65.00</b>	<b>28.46</b>	<b>34.54</b>	<b>63.00</b>	<b>(2.00)</b>

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**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2012**

**PLEASE NOTE:** The below summary is based on the continuation of current terms of the Management Agreement and are subject to change based on finalization of new Agreement.

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2011 Forecast
Net Revenue above Expenses	1,071,221	(775,503)	295,718	308,552
Benchmark			700,000	700,000
Excess	1,071,221	(775,503)	(404,282)	(391,448)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	161,845	161,845	323,690	320,834
Incentive Fee				
Revenue	4,996,443	4,639,681	9,636,124	9,328,832
Benchmark Revenue	4,850,000	4,250,000	9,100,000	9,000,000
Revenue Excess	146,443	389,681	536,124	328,832
Incentive Fee **	-	-	-	-
Total SMG Management Fee	161,845	161,845	323,690	320,834

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

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## **Memorandum**

**To:** Grand Rapids – Kent County  
Convention/Arena Authority

**From:** Robert J. White

**Date:** May 3, 2011

**Re:** Convention/Arena Authority (CAA)  
Fiscal Year 2012 Budget Request

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The attached material summarizes a requested CAA Administrative Operating Budget and Consolidated Income Statement for the Fiscal Year beginning July 1, 2011 (Fiscal Year 2012). The format of the report provides the Committee with an overview of Fiscal Year 2010 actual, Fiscal Year 2011 estimate, and Fiscal Year 2012 preliminary recommendations. Preliminary Finance Committee review will be held on May 6th with final Board review scheduled for June 3rd.

Table A provides a summary of the facility manager (SMG) budget documents submitted under separate cover. Based on SMG's most recent "budget roll," the current year forecast has been updated to a net operating income balance of \$308,552. Funding, requested for FY 2012, would generate a net operating income of \$245,718.

The Fiscal Year 2012 consolidated income statement (Table C) forecasts a net operating income totaling \$409,531. This income will be applied to finance, in part, a capital outlay request totaling \$901,000. The balance of the funds requested will be supported by interest earnings and a drawdown from the capital reserve account.

Table B provides a summary of the CAA administrative budget. Revenues in this account include regularly scheduled transfers from the facility manager, parking, interest and other miscellaneous contributions to the organization. Expenditures from this account include provision for utilities, capital repair/replacement/improvement (as defined in the SMG management contract), parking management fees, landscape plantings, and other administrative expenses. Table B-1, attached hereto, provides additional details concerning utility and miscellaneous administrative expenditure accounts.

On the basis of these initial budgetary estimates, it is expected that the CAA will close its Fiscal Year 2011 activities with a “fund balance” approximating \$21.7 million. This would include a recommended minimum operating reserve balance of \$6 million and a capital repair/replacement/improvement reserve of \$15.7 million.

Prior fiscal year budget recommendations included a Table D entitled “Capital Repair/Replacement/Improvement Reserve – Projection of Receipts, Disbursements and Balances.” The table, last prepared as a part of the Fiscal Year 2009 budget, forecasted capital requirements of approximately \$1 million per annum during the period of Fiscal Year 2010 through Fiscal Year 2014, inclusive, rising to an annual level of approximately \$3 million per annum for the following five fiscal years. Allowing for this level of capital requirements, the forecast identified a Fund Balance of \$13 million at June 30, 2019. Table D has not been updated as part of this Fiscal Year 2012 budget request. Funding for an “Arena Long-Term Capital Study” (see Administrative/Other) was approved as a part of the FY 2011 budget, to provide additional assistance in updating the forecast.

Table D has been included along with the original Fiscal Year 2012 budget materials. This report provides a “Budget Summary by Facility/Other” formatted report. It organizes revenues and expenses in three activity areas including Van Andel Arena®, DeVos Place® Convention Center, and other. This report provides all of the same information contained in Table C, but also allows the reader to view the overall operations of each facility incorporating therein the revenues generated by the parking facilities attached or adjacent to the buildings.

Rich MacKeigan, Chris Machuta, Sue Waddell, and I participated in preparation of the attached recommended budget. We would expect to present this to the Finance Committee, at its May meeting, and be prepared to answer any additional questions which may arise from a review of this material.

Attachments: FY 2012 Recommended Budget

**Table A**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**SMG Facilities Budget**  
**Fiscal Years Ending June 30, 2010 - 2012**

	<b>FY 2010</b>	<b>FY 2011</b>		<b>FY 2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Recommendation</b>
Van Andel Arena				
Operating - Revenues	\$ 5,302,116	\$ 5,136,171	\$ 4,620,127	\$ 4,996,443
- Expenses - Facilities	(3,654,125)	(3,767,884)	(3,648,771)	(3,763,377)
- Base Management Fees	(158,672)	(158,672)	(160,417)	(161,845)
Net Operating Income	<u>\$ 1,489,319</u>	<u>\$ 1,209,615</u>	<u>\$ 810,939</u>	<u>\$ 1,071,221</u>
DeVos Place				
Operating - Revenues	\$ 4,475,813	\$ 4,507,596	\$ 4,708,705	\$ 4,639,681
- Expenses - Facilities	(4,890,100)	(5,059,868)	(5,050,675)	(5,253,339)
- Base Management Fees	(158,672)	(158,671)	(160,417)	(161,845)
Net Operating Loss	<u>\$ (572,959)</u>	<u>\$ (710,943)</u>	<u>\$ (502,387)</u>	<u>\$ (775,503)</u>
Net Available to CAA:				
Van Andel Arena	\$ 1,489,319	\$ 1,209,615	\$ 810,939	\$ 1,071,221
DeVos Place	(572,959)	(710,943)	(502,387)	(775,503)
Less - SMG Incentive	(238,379)	-	-	-
- DeVos Parking Maintenance	-	(10,000)	0	(50,000)
	<u>\$ 677,981</u>	<u>\$ 488,672</u>	<u>\$ 308,552</u>	<u>\$ 245,718</u>

**Table B**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative - Operating / Capital Replacement Budget**  
**FY 2012 Recommendation**

	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>		<b><u>FY 2012</u></b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Recommendation</u></b>
<b>Revenues:</b>				
Facility Operations	\$ 677,981	\$ 488,672	\$ 308,552	\$ 245,718
Utility Reimbursement	<u>2,141,458</u>	<u>2,197,800</u>	<u>2,316,143</u>	<u>2,349,600</u>
Transfers from SMG	2,819,439	2,686,472	2,624,695	2,595,318
DeVos Place Parking	780,867	857,613	805,000	930,000 <sup>(1)</sup>
VanAndel Parking	123,112	125,003	144,452	190,000 <sup>(1)</sup>
Interest	322,422	435,000	210,000	206,000 <sup>(2)</sup>
Miscellaneous	<u>95,217</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u> <sup>(3)</sup>
Total Revenues	<u>4,141,057</u>	<u>4,134,088</u>	<u>3,814,147</u>	<u>3,951,318</u>
<b>Expenditures:</b>				
Utilities	2,141,458	2,197,800	2,316,143	2,349,600 <sup>(5)</sup>
Other Operating	270,392	417,842	373,081	391,579 <sup>(6)</sup>
Administration/Other	426,123	549,984	538,642	594,608 <sup>(7)</sup>
Capital-Repair	279,028	-	-	-
Capital	<u>415,117</u>	<u>4,085,000</u>	<u>3,557,841</u>	<u>901,000</u> <sup>(4)</sup>
Total Expenditures	<u>3,532,118</u>	<u>7,250,626</u>	<u>6,785,707</u>	<u>4,236,787</u>
Net Excess (Deficit)	<u>\$ 608,939</u>	<u>\$ (3,116,538)</u>	<u>\$ (2,971,560)</u>	<u>\$ (285,469)</u>

**Notes: See Following**

**Table B-1**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative - Operating / Capital Replacement Budget**  
**FY 2012 Recommendation**

**Notes:**

<sup>(1)</sup> DeVos Place Parking Rates:	FY 2011	FY 2012
30 Minutes	\$ 1.00	\$ 1.00
Daily Maximum	10.00	10.00
Event	7.00	8.00
Monthly -Public	142.50	150.00
-Reserved Premium	52.50	52.50
-County/SMG (O+M)	18.31	45.00

Van Andel Arena Parking Rates:		
Event	\$ 8.00	\$ 9.00
Non-Event Coin Unit	3.00	\$ 5.00
Monthly -Public	65.25	80.00

<sup>(2)</sup> \$20.6 million (1/31/11 pool balance) in invested funds at 1%.

<sup>(3)</sup> Wine & Food Festival - \$16,000 and other Miscellaneous.

<sup>(4)</sup> FY 2011 Carryover Projects:

Theater Shell Upgrade	DVP	\$ 100,000
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FY 2012 Eligible Projects:

Timing/Scoring Function/Displays	VAA	\$ 220,000
SW Elevator Drive	VAA	17,000
Portable Radio Communications	VAA	50,000
Water Purification Ice Making	VAA	35,000

Portable Radio Communications	DVP	\$ 50,000
Energy/Sustainability Efforts	DVP	38,000
Theater Outdoor Marquee	DVP	50,000
Fuel Storage Tank	DVP	17,000
Theater Shell Compressor	DVP	9,000
Security Upgrades	DVP	65,000
Technology	DVP	40,000
Bathroom Upgrades	DVP	50,000

Merchandise Cart	VAA F&B	\$ 10,000
Electronic Menu Board System	VAA F&B	150,000

Total Capital Request	<u>\$ 901,000</u>
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**Table B-1**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Detail of Expenditure Estimates**  
**FY 2012 Recommendation**

		<b>FY 2010</b>	<b>FY 2011</b>		<b>FY 2012</b>
		<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Recommendation</u></b>
<b>Utilities<sup>(5)</sup>:</b>					
	Electricity	\$ 1,303,446	\$ 1,239,000	\$ 1,426,686	\$ 1,400,800
	Steam/Gas	725,817	846,000	775,790	836,000
	Water/Sewer	112,195	112,800	113,667	112,800
		<u>\$ 2,141,458</u>	<u>\$ 2,197,800</u>	<u>\$ 2,316,143</u>	<u>\$ 2,349,600</u>
<b>Other Operating<sup>(6)</sup>:</b>					
	Parking Management	\$ 171,651	\$ 119,342	\$ 194,081	\$ 213,579
	Marketing Campaign	-	100,000	-	-
	Landscaping	13,393	90,000	25,000	30,000
	Pedestrian Safety	85,348	85,000	104,000	108,000
	Repairs - F&B	-	23,500	50,000	40,000
		<u>\$ 270,392</u>	<u>\$ 417,842</u>	<u>\$ 373,081</u>	<u>\$ 391,579</u>
<b>Administration/Other<sup>(7)</sup>:</b>					
	Wages	\$ 81,085	\$ 106,984	\$ 111,934	\$ 118,944
	Benefits	24,441	24,500	23,044	24,443
	Accounting/Audit	34,967	36,000	33,000	36,000
	Legal Services	39,711	35,000	32,000	35,000
	DID Assessment	53,175	53,500	55,103	58,721 <sup>(1)</sup>
	Insurance	22,903	24,000	23,561	24,000
	Meetings/Supplies	42,436	15,000	15,000	20,000
	Arena Long-Term Capital Study	-	50,000	50,000	7,500
	Marketing - CVB	75,000	75,000	75,000	75,000
	Marketing - Sports Commission	25,000	25,000	25,000	25,000
	Diversity Initiative	15,106	40,000	40,000	50,000
	Procurement of Art (ArtPrize)	-	25,000	25,000	30,000
	Other	12,299	40,000	30,000	90,000 <sup>(2)</sup>
		<u>\$ 426,123</u>	<u>\$ 549,984</u>	<u>\$ 538,642</u>	<u>\$ 594,608</u>

**Notes:**

<sup>(1)</sup>Downtown Improvement District special assessment contribution from CAA based on benefit allocation formula.

<sup>(2)</sup>FY 2012 budget recommendation anticipates continuing requirement for consulting assistance, plus \$50,000 for an economic impact study.

**Table C**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Consolidated Income Statement**  
**Fiscal Years Ending June 30, 2010-2012**

		FY 2010		FY 2011		FY 2012
		<u>Actual</u>		<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Operating Revenue:						
Event	- VanAndel Arena	\$ 1,476,691	\$	1,460,958	\$ 996,776	\$ 1,259,448
	- DeVos Place	2,447,855		2,409,380	2,563,307	2,531,170
Ancillary	- VanAndel Arena	1,328,856		1,230,438	1,199,612	1,101,555
	- DeVos Place	1,843,411		1,907,266	1,952,406	1,890,266
Other	- VanAndel Arena	2,496,569		2,444,775	2,423,739	2,635,440
	- DeVos Place	184,547		190,950	192,992	218,245
	-Administration	95,217		30,000	30,000	30,000
Parking	- VanAndel Arena	123,112		125,003	144,452	190,000
	- DeVos Place	780,867		857,613	805,000	930,000
		10,777,125		10,656,383	10,308,284	10,786,124
Operating Expense / Appropriations:						
Facility Operations						
	- VanAndel Arena	3,654,125		3,767,884	3,648,771	3,763,377
	- DeVos Place	4,890,100		5,059,868	5,050,675	5,253,339
	- Management	555,723		317,343	320,834	323,690
	- Parking Maintenance	-		10,000	-	50,000
Other Operating		270,392		417,842	373,081	391,579
Capital-Repair		279,028		-	-	-
Administration/Other		426,123		549,984	538,642	594,608
		10,075,491		10,122,921	9,932,003	10,376,593
Operating Income		701,634		533,462	376,281	409,531
Non-Operating Revenue:						
Interest		322,422		435,000	210,000	206,000
Transfer (to) from Capital Acct.		(415,117)		(4,085,000)	(3,557,841)	(901,000)
		(92,695)		(3,650,000)	(3,347,841)	(695,000)
Net Income (Loss)		608,939		(3,116,538)	(2,971,560)	(285,469)
Fund Balance, beg. of yr.		24,119,455		24,728,394	24,728,394	21,756,834
Fund Balance, end of yr.		\$ 24,728,394	\$	21,611,856	\$ 21,756,834	\$ 21,471,365



**Table D**  
**Grand Rapids-Kent County Convention/Arena Authority**  
**Budget Summary by Facility/Other**  
**FY 2012 Recommendation**

	<b>FY 2010</b>	<b>FY 2011</b>		<b>FY 2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Recommendation</b>
<b>Van Andel Arena</b>				
Operating - Revenues	\$ 5,302,116	\$ 5,136,171	\$ 4,620,127	\$ 4,996,443
- Expenses - Facilities	(3,654,125)	(3,767,884)	(3,648,771)	(3,763,377)
- Base Management Fees	(158,672)	(158,671)	(160,417)	(161,845)
Net Operating Income	1,489,319	1,209,616	810,939	1,071,221
Parking (net of allocated expenses)	123,112	125,003	144,452	190,000
<b>Net Proceeds from VAA</b>	1,612,431	1,334,619	- 955,391	1,261,221
<b>DeVos Place Convention Center</b>				
Operating - Revenues	4,475,813	4,507,596	4,708,705	4,639,681
- Expenses - Facilities	(4,890,100)	(5,059,768)	(5,050,675)	(5,253,339)
- Base Management Fees	(158,672)	(158,671)	(160,417)	(161,845)
Net Operating Loss	(572,959)	(710,843)	(502,387)	(775,503)
Parking (net of allocated expenses)	609,216	738,271	610,919	716,421
<b>Net Proceeds (Cost) of DVP</b>	36,257	27,428	108,532	(59,082)
<b>Other</b>				
Revenues				
Interest	322,422	435,000	210,000	206,000
Miscellaneous	95,217	30,000	30,000	30,000
	417,639	465,000	240,000	236,000
Expenses				
Other Operating	377,769	298,500	179,000	178,000
Administration/Other	426,123	549,984	538,642	594,608
Less - SMG Incentive	238,379	-	-	-
- DeVos Parking Maintenance	-	10,000	-	50,000
	1,042,271	858,484	717,642	822,608
<b>Net Other</b>	(624,632)	(393,484)	(477,642)	(586,608)
<b>Total Operating</b>	<b>\$ 1,024,056</b>	<b>\$ 968,563</b>	<b>\$ 586,281</b>	<b>\$ 615,531</b>
Capital Expenditures	415,117	4,085,000	3,557,841	901,000
Results Net of Capital Expenditures	<b>\$ 608,939</b>	<b>\$ (3,116,437)</b>	<b>\$ (2,971,560)</b>	<b>\$ (285,469)</b>



May 2, 2011

TO: CAA Finance Committee

THROUGH: Rich MacKeigan, General Manager, DeVos Place/Van Andel Arena

FROM:  Eddie Tadlock, Assistant General Manager, DeVos Place

RE: Rental Rates, DeVos Place

Convention  
Arena  
Authority

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

I would like to take this opportunity to present SMG's recommendations for Room Rental Rates for DeVos Place, effective FY July 2012 through FY June 2016. SMG has established a 5 year rate card for DeVos Place to provide potential clients the option to secure rental rates in outlying years, and in some instances multiple years. Historically, while rental rates at DeVos Place have not increased more than 3.25% each year over the past few years (averaging between 2.75% - 3%); our rates continue to hover in the mid-range on the regional average. Our current pricing schedules reflect current economic assumptions in the regional marketplace and knowledge of rental rates of comparable venues of similar size in the area.

We consider our current five year rate card to be a key marketing element for the facility. Given the flexibility to negotiate rental rates with clients (limited to an increase or reduction no greater than 20% of the approved rates) current rates afford us continued opportunities to be competitive in the bidding process for Regional and National Conventions. By keeping our current 5 year rental rate card, we position ourselves appropriately to deliver the most value for the quality of product we serve.

Within the current structure of the rental rate cards approved by the CAA last fiscal year, SMG is committed to providing the best services required in the marketing of the facilities.

Attachments: Rental Rate Schedules FY's, 2012, 2013, 2014, 2015 \*2016

\*Seeking Approval



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 49503-2230  
616.742.6500  
Fax 616.742.6590



## ROOM RENTAL RATES

FY 2012 (July 1, 2011 – June 30, 2012)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$2,800 vs 12%	\$2,800/1 <sup>st</sup> Performance \$1,400/2 <sup>nd</sup> Performance	N/A	N/A	\$2,800	N/A
DeVos Hall (Fri-Sat)	\$3,300 vs 12%	\$3,300/1 <sup>st</sup> Performance \$1,650/2 <sup>nd</sup> Performance	N/A	N/A	\$2,800	N/A
Hall A-C	\$18,450 vs 12%	N/A	\$15,075 or \$.25 net sq. ft.	\$18,450 or \$.29 net sq. ft.	\$18,450	\$9,450
Hall A-B or B-C	\$12,300 vs 12%	N/A	\$10,050 or \$.25 net sq. ft.	\$12,300 or \$.29 net sq. ft.	\$12,300	\$6,300
Hall A, B, Or C	\$6,150 vs 12%	N/A	\$5,025 or \$.25 net sq. ft.	\$6,150 or \$.29 net sq. ft.	\$6,150	\$3,150
Meeting Rooms Grand Gallery 1 <sup>st</sup> or 2 <sup>nd</sup>	\$1,350 vs 12%	N/A	\$1,100 or \$.25 net sq. ft.	\$1,350 or \$.29 net sq. ft.	\$1,350	\$975
Meeting Rooms Grand Gallery Individual	\$450 vs 12%	N/A	\$450 or \$.25 net sq. ft.	\$450 or \$.29 net sq. ft.	\$450	\$450
Ballroom	\$5,450 vs 12%	N/A	\$4,450 or \$.25 net sq. ft.	\$5,450 or \$.29 net sq. ft.	\$5,450	\$3,200
Ballroom A,B,C-D	\$1,900 vs 12%	N/A	\$1,800 or \$.25 net sq. ft.	\$1,900 or \$.29 net sq. ft.	\$1,900	\$1,450
Ballroom C or D	\$1,050 vs 12%	N/A	\$1,000 or \$.25 net sq. ft.	\$1,050 or \$.29 net sq. ft.	\$1,050	\$950
River Overlook Meeting Rooms	\$450 vs 12%	N/A	\$450 per day	\$450 per day	\$450	\$450
Board Room	N/A	N/A	\$500 per day	\$500 per day	\$500	\$500
Monroe Meeting Rooms A-D	\$950 vs 12%	N/A	\$900 per day	\$950 per day	\$950	\$900
Monroe Meeting Room B, C, or D	N/A	N/A	\$350 per day	\$350 per day	\$350	\$350
Recital Hall or Monroe Meeting Room A	\$675 vs 12%	N/A	\$675 per day	\$675 per day	\$675	\$675

As managers of DeVos Place, SMG has the right to negotiate rental rates with clients, but agrees that such negotiations will be limited to an increase or reduction no greater than 20% of approved rental rates. These fluctuations may be considered if it became the shared position of affected area businesses that mutual special consideration is necessary to attract the business. SMG also has the right to negotiate rates for labor and equipment in accordance with industry standards, including charging for items which may not be included on this rental rate sheet.

## ROOM RENTAL RATES

FY 2013 (July 1, 2012 – June 30, 2013)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$2,900 vs 12%	\$2,900/1 <sup>st</sup> Performance \$1,450/2 <sup>nd</sup> Performance	N/A	N/A	\$2,900	N/A
DeVos Hall (Fri-Sat)	\$3,400 vs 12%	\$3,400/1 <sup>st</sup> Performance \$1,700/2 <sup>nd</sup> Performance	N/A	N/A	\$2,900	N/A
Hall A-C	\$18,975 vs 12%	N/A	\$15,600 or \$.25 net sq. ft.	\$18,975 or \$.29 net sq. ft.	\$18,975	\$9,750
Hall A-B or B-C	\$12,650 vs 12%	N/A	\$10,400 or \$.25 net sq. ft.	\$12,650 or \$.29 net sq. ft.	\$12,650	\$6,500
Hall A, B, Or C	\$6,325 vs 12%	N/A	\$5,200 or \$.25 net sq. ft.	\$6,325 or \$.29 net sq. ft.	\$6,325	\$3,250
Meeting Rooms Grand Gallery 1 <sup>st</sup> or 2 <sup>nd</sup>	\$1,400 vs 12%	N/A	\$1,150 or \$.25 net sq. ft.	\$1,400 or \$.29 net sq. ft.	\$1,400	\$1,000
Meeting Rooms Grand Gallery Individual	\$475 vs 12%	N/A	\$475 or \$.25 net sq. ft.	\$475 or \$.29 net sq. ft.	\$475	\$475
Ballroom	\$5,600 vs 12%	N/A	\$4,600 or \$.25 net sq. ft.	\$5,600 or \$.29 net sq. ft.	\$5,600	\$3,300
Ballroom A,B,C-D	\$1,950 vs 12%	N/A	\$1,850 or \$.25 net sq. ft.	\$1,950 or \$.29 net sq. ft.	\$1,950	\$1,500
Ballroom C or D	\$1,100 vs 12%	N/A	\$1,050 or \$.25 net sq. ft.	\$1,100 or \$.29 net sq. ft.	\$1,100	\$1,000
River Overlook Meeting Rooms	\$475 vs 12%	N/A	\$475 per day	\$475 per day	\$475	\$475
Board Room	N/A	N/A	\$525 per day	\$525 per day	\$525	\$525
Monroe Meeting Rooms A-D	\$1,000 vs 12%	N/A	\$950 per day	\$1,000 per day	\$1,000	\$950
Monroe Meeting Room B, C, or D	N/A	N/A	\$375 per day	\$375 per day	\$375	\$375
Recital Hall or Monroe Meeting Room A	\$700 vs 12%	N/A	\$700 per day	\$700 per day	\$700	\$700

As managers of DeVos Place, SMG has the right to negotiate rental rates with clients, but agrees that such negotiations will be limited to an increase or reduction no greater than 20% of approved rental rates. These fluctuations may be considered if it became the shared position of affected area businesses that mutual special consideration is necessary to attract the business. SMG also has the right to negotiate rates for labor and equipment in accordance with industry standards, including charging for items which may not be included on this rental rate sheet.

## ROOM RENTAL RATES

FY 2014 (July 1, 2013 – June 30, 2014)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,000 vs 12%	\$3,000/1 <sup>st</sup> Performance \$1,500/2 <sup>nd</sup> Performance	N/A	N/A	\$3,000	N/A
DeVos Hall (Fri-Sat)	\$3,500 vs 12%	\$3,500/1 <sup>st</sup> Performance \$1,750/2 <sup>nd</sup> Performance	N/A	N/A	\$3,000	N/A
Hall A-C	\$19,500 vs 12%	N/A	\$16,125 or \$.25 net sq. ft.	\$19,500 or \$.29 net sq. ft.	\$19,500	\$10,050
Hall A-B or B-C	\$13,000 vs 12%	N/A	\$10,750 or \$.25 net sq. ft.	\$13,000 or \$.29 net sq. ft.	\$13,000	\$6,700
Hall A, B, Or C	\$6,500 vs 12%	N/A	\$5,375 or \$.25 net sq. ft.	\$6,500 or \$.29 net sq. ft.	\$6,500	\$3,350
Meeting Rooms Grand Gallery 1 <sup>st</sup> or 2 <sup>nd</sup>	\$1,450 vs 12%	N/A	\$1,200 or \$.25 net sq. ft.	\$1,450 or \$.29 net sq. ft.	\$1,450	\$1,025
Meeting Rooms Grand Gallery Individual	\$500 vs 12%	N/A	\$500 or \$.25 net sq. ft.	\$500 or \$.29 net sq. ft.	\$500	\$500
Ballroom	\$5,750 vs 12%	N/A	\$4,750 or \$.25 net sq. ft.	\$5,750 or \$.29 net sq. ft.	\$5,750	\$3,400
Ballroom A,B,C-D	\$2,000 vs 12%	N/A	\$1,900 or \$.25 net sq. ft.	\$2,000 or \$.29 net sq. ft.	\$2,000	\$1,550
Ballroom C or D	\$1,150 vs 12%	N/A	\$1,100 or \$.25 net sq. ft.	\$1,150 or \$.29 net sq. ft.	\$1,150	\$1,050
River Overlook Meeting Rooms	\$500 vs 12%	N/A	\$500 per day	\$500 per day	\$500	\$500
Board Room	N/A	N/A	\$550 per day	\$550 per day	\$550	\$550
Monroe Meeting Rooms A-D	\$1,050 vs 12%	N/A	\$1,000 per day	\$1,050 per day	\$1,050	\$1,000
Monroe Meeting Room B, C, or D	N/A	N/A	\$400 per day	\$400 per day	\$400	\$400
Recital Hall or Monroe Meeting Room A	\$750 vs 12%	N/A	\$750 per day	\$750 per day	\$750	\$750

As managers of DeVos Place, SMG has the right to negotiate rental rates with clients, but agrees that such negotiations will be limited to an increase or reduction no greater than 20% of approved rental rates. These fluctuations may be considered if it became the shared position of affected area businesses that mutual special consideration is necessary to attract the business. SMG also has the right to negotiate rates for labor and equipment in accordance with industry standards, including charging for items which may not be included on this rental rate sheet.

## ROOM RENTAL RATES

FY 2015 (July 1, 2014 – June 30, 2015)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,100 vs 12%	\$3,100/1 <sup>st</sup> Performance \$1,550/2 <sup>nd</sup> Performance	N/A	N/A	\$3,100	N/A
DeVos Hall (Fri-Sat)	\$3,600 vs 12%	\$3,600/1 <sup>st</sup> Performance \$1,800/2 <sup>nd</sup> Performance	N/A	N/A	\$3,100	N/A
Hall A-C	\$20,025 vs 12%	N/A	\$16,650 or \$.25 net sq. ft.	\$20,025 or \$.29 net sq. ft.	\$20,025	\$10,350
Hall A-B or B-C	\$13,350 vs 12%	N/A	\$11,100 or \$.25 net sq. ft.	\$13,350 or \$.29 net sq. ft.	\$13,350	\$6,900
Hall A, B, Or C	\$6,675 vs 12%	N/A	\$5,550 or \$.25 net sq. ft.	\$6,675 or \$.29 net sq. ft.	\$6,675	\$3,450
Meeting Rooms Grand Gallery 1 <sup>st</sup> or 2 <sup>nd</sup>	\$1,500 vs 12%	N/A	\$1,250 or \$.25 net sq. ft.	\$1,500 or \$.29 net sq. ft.	\$1,500	\$1,050
Meeting Rooms Grand Gallery Individual	\$525 vs 12%	N/A	\$525 or \$.25 net sq. ft.	\$525 or \$.29 net sq. ft.	\$525	\$525
Ballroom	\$5,900 vs 12%	N/A	\$4,900 or \$.25 net sq. ft.	\$5,900 or \$.29 net sq. ft.	\$5,900	\$3,500
Ballroom A,B,C-D	\$2,050 vs 12%	N/A	\$1,950 or \$.25 net sq. ft.	\$2,050 or \$.29 net sq. ft.	\$2,050	\$1,600
Ballroom C or D	\$1,200 vs 12%	N/A	\$1,150 or \$.25 net sq. ft.	\$1,200 or \$.29 net sq. ft.	\$1,200	\$1,100
River Overlook Meeting Rooms	\$525 vs 12%	N/A	\$525 per day	\$525 per day	\$525	\$525
Board Room	N/A	N/A	\$575 per day	\$575 per day	\$575	\$575
Monroe Meeting Rooms A-D	\$1,100 vs 12%	N/A	\$1,050 per day	\$1,100 per day	\$1,100	\$1,050
Monroe Meeting Room B, C, or D	N/A	N/A	\$425 per day	\$425 per day	\$425	\$425
Recital Hall or Monroe Meeting Room A	\$775 vs 12%	N/A	\$775 per day	\$775 per day	\$775	\$775

As managers of DeVos Place, SMG has the right to negotiate rental rates with clients, but agrees that such negotiations will be limited to an increase or reduction no greater than 20% of approved rental rates. These fluctuations may be considered if it became the shared position of affected area businesses that mutual special consideration is necessary to attract the business. SMG also has the right to negotiate rates for labor and equipment in accordance with industry standards, including charging for items which may not be included on this rental rate sheet.

## ROOM RENTAL RATES

FY 2016 (July 1, 2015 – June 30, 2016)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,200 vs 12%	\$3,200/1 <sup>st</sup> Performance \$1,600/2 <sup>nd</sup> Performance	N/A	N/A	\$3,200	N/A
DeVos Hall (Fri-Sat)	\$3,700 vs 12%	\$3,700/1 <sup>st</sup> Performance \$1,850/2 <sup>nd</sup> Performance	N/A	N/A	\$3,200	N/A
Hall A-C	\$20,550 vs 12%	N/A	\$17,175 or \$.25 net sq. ft.	\$20,550 or \$.29 net sq. ft.	\$20,550	\$10,650
Hall A-B or B-C	\$13,700 vs 12%	N/A	\$11,450 or \$.25 net sq. ft.	\$13,700 or \$.29 net sq. ft.	\$13,700	\$7,100
Hall A, B, Or C	\$6,850 vs 12%	N/A	\$5,725 or \$.25 net sq. ft.	\$6,850 or \$.29 net sq. ft.	\$6,850	\$3,550
Meeting Rooms Grand Gallery 1 <sup>st</sup> or 2 <sup>nd</sup>	\$1,550 vs 12%	N/A	\$1,300 or \$.25 net sq. ft.	\$1,550 or \$.29 net sq. ft.	\$1,550	\$1,075
Meeting Rooms Grand Gallery Individual	\$550 vs 12%	N/A	\$550 or \$.25 net sq. ft.	\$550 or \$.29 net sq. ft.	\$550	\$550
Ballroom	\$6,050 vs 12%	N/A	\$5,050 or \$.25 net sq. ft.	\$6,050 or \$.29 net sq. ft.	\$6,050	\$3,600
Ballroom A,B,C-D	\$2,100 vs 12%	N/A	\$2,000 or \$.25 net sq. ft.	\$2,100 or \$.29 net sq. ft.	\$2,100	\$1,650
Ballroom C or D	\$1,250 vs 12%	N/A	\$1,200 or \$.25 net sq. ft.	\$1,250 or \$.29 net sq. ft.	\$1,250	\$1,150
River Overlook Meeting Rooms	\$550 vs 12%	N/A	\$550 per day	\$550 per day	\$550	\$550
Board Room	N/A	N/A	\$600 per day	\$600 per day	\$600	\$600
Monroe Meeting Rooms A-D	\$1,150 vs 12%	N/A	\$1,100 per day	\$1,150 per day	\$1,150	\$1,100
Monroe Meeting Room B, C, or D	N/A	N/A	\$450 per day	\$450 per day	\$450	\$450
Recital Hall or Monroe Meeting Room A	\$825 vs 12%	N/A	\$825 per day	\$825 per day	\$825	\$825

As managers of DeVos Place, SMG has the right to negotiate rental rates with clients, but agrees that such negotiations will be limited to an increase or reduction no greater than 20% of approved rental rates. These fluctuations may be considered if it became the shared position of affected area businesses that mutual special consideration is necessary to attract the business. SMG also has the right to negotiate rates for labor and equipment in accordance with industry standards, including charging for items which may not be included on this rental rate sheet.

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

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION  
OF A MANAGEMENT AGREEMENT WITH SMG FOR THE VAN  
ANDEL ARENA® AND DEVOS PLACE®**

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

**WHEREAS**, the current Management Agreement, as amended between the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), and SMG dated as of July 1, 2006, terminates on June 30, 2011; and

**WHEREAS**, the CAA and SMG have negotiated a new Management Agreement to be dated and effective July 1, 2011 (the "Management Agreement"); and

**WHEREAS**, the CAA Board desires to approve and authorize the execution of the Management Agreement substantially in the form presented at this meeting.

**RESOLVED:**

1. That the Management Agreement substantially in the form presented at this meeting is hereby approved with such modifications not materially adverse to the CAA approved as to content by the CAA Chairman and as to form by the CAA's legal counsel and the Chairman is authorized and directed to execute the approved Management Agreement for and on behalf of the CAA.

2. That all resolutions and 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 \_\_\_\_\_

Dated: May 6, 2011

\_\_\_\_\_  
Susan 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 on May 6, 2011, 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: May 6, 2011

\_\_\_\_\_  
Susan Waddell  
Administrative Manager/Recording Secretary

**COMPARISON OF KEY PROVISIONS OF EXISTING AND  
NEW MANAGEMENT AGREEMENTS BETWEEN CAA AND SMG**

<b>Provision</b>	<b>Existing Agreement</b>	<b>New Agreement</b>
<b>Relationship</b>	CAA's Agent	Independent Contractor
CAA Administrative Official	Appointed by CAA Board	Appointed by CAA Board, if no appointment, CAA Board Chair serves in capacity
<b>Term</b>	3-year term and one 2-year CAA option ending June 30, 2011	3-year term and two 2-year options ending June 30, 2018
<b>Base Fee</b>	\$321,000 FY 2012 (increased annually by CPI capped at 3% per year) plus \$50,000 if F&B Agreement terminated	\$325,000 FY 2013 (increased annually by CPI capped at 3% per year) plus \$50,000 if F&B Agreement terminated
<b>Incentive Fee</b>	May not exceed 100% of base fee	Same
	25% of first \$500,000 of Revenue Increase over Revenue Benchmark and 30% over \$500,000	Same
	Revenue Benchmark - \$9,000,000 FY 2011 (began at \$8,600,000 and increased \$100,000 annually)	Revenue Benchmark - \$9,100,000 FY 2012 and increasing \$100,000 annually thereafter
	Threshold net operating income \$700,000 - 100% of incentive fee	Threshold net operating income of \$700,000 or more but less than \$750,000 - 75% of incentive fee, if \$750,000 or more 100% of incentive fee
<b>Internal Audits</b>	SMG required to periodically conduct internal audits and immediately thereafter provide the CAA with copies of such audits	SMG required to periodically conduct internal audits and upon request provide CAA Administrative Official with a copy of audit
<b>Early Termination</b>	CAA may terminate early upon 180 days' notice with a majority vote of Boardmembers currently serving and the payment to SMG of the greater of the remaining balance of the current annual base fee or one-half of such base fee	Same

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**MANAGEMENT AGREEMENT**

**between the**

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

**and**

**SMG**

**Dated as of July 1, 2011**

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## **MANAGEMENT AGREEMENT**

**THIS MANAGEMENT AGREEMENT** (the "Agreement") is dated as of July 1, 2011, between the **GRAND RAPIDS - KENT COUNTY CONVENTION/ARENA AUTHORITY**, a Michigan authority created pursuant to Act 203 of the Public Acts of Michigan of 1999 (the "CAA"), whose current address is 303 Monroe Avenue, N.W., Grand Rapids, Michigan 49503 and **SMG**, a Pennsylvania general partnership ("SMG"), whose current address is 300 Conshohocken State Road, Suite 770, West Conshohocken, Pennsylvania 19428.

### **RECITALS**

A. The CAA has leased the Van Andel Arena (the "Arena") as more fully described herein and located at 130 West Fulton Street in the City of Grand Rapids, Kent County, Michigan (the "City"), from the Downtown Development Authority of the City of Grand Rapids (the "DDA") which lease will remain in effect until the outstanding tax-exempt bonds of the DDA used in part to finance the Arena have been paid in full or defeased after which the CAA will become the owner of the Arena.

B. During the term of the lease with the DDA and thereafter the CAA is responsible for operating the Arena.

C. The CAA has leased DeVos Place Convention Center consisting of the Steelcase Ballroom, DeVos Performance Hall, exhibit space and other meeting rooms and conference areas (the "Convention Center") as more fully described herein and located at 303 Monroe Avenue, N.W. in the City from the City of Grand Rapids and County of Kent Joint Building Authority (the "Building Authority") which lease will remain in effect until the outstanding tax-exempt bonds of the Building Authority used in part to finance the Convention Center have been paid in full or defeased and after which the CAA will become the owner of the Convention Center.

D. During the term of the lease with the Building Authority and thereafter the CAA is responsible for operating the Convention Center.

E. SMG is engaged in the business of providing management services, including operations and marketing services, for public assembly facilities such as the Arena and the Convention Center.

F. The CAA and SMG are currently parties to a Management Agreement dated as of July 1, 2006, and modified by a First Addendum to Management Agreement dated as of December 29, 2008, a Second Addendum to Management Agreement dated as of February 23, 2009, a Third Addendum to Management Agreement dated as of April 29, 2009, and a First Amendment to Management Agreement dated as of July 1, 2006 (collectively, the "2006 Management Agreement"), pursuant to which SMG is currently providing management services to the Arena and the Convention Center. The term of the 2006 Management Agreement ends June 30, 2011.

G. The CAA and SMG desire to enter into a new agreement for the management of the Arena and the Convention Center to be effective July 1, 2011.

**NOW, THEREFORE,** in consideration of the mutual promises, covenants and agreements herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

## **ARTICLE I DEFINITIONS**

### **Section 1.1. Definitions.**

For purposes of this Agreement, the following terms have the following meanings:

"Affiliate" means a person that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, a specified person. For purposes of this definition, "control" means ownership of equity securities or other ownership interests which represent more than 40% of the voting power in the controlled person.

"Approved Budget" means the annual operating budget for the Arena or the Convention Center, as approved by the CAA Board and amended in accordance with Article V hereof.

"Arena" means the Van Andel Arena® located at 130 W. Fulton Street in the City and shall include the Pedestrian Walkway.

"Arena Operating Account" means the account maintained by SMG in accordance with Article V hereof (with signature authority in such SMG employees as SMG may from time to time determine) at the banking institution currently serving in such capacity as identified in Section 5.2(b) hereof or to be replaced as provided in said Section 5.2(b).

"CAA" means the Grand Rapids-Kent County Convention/Arena Authority, a Michigan authority created pursuant to Act 203 of the Public Acts of Michigan of 1999.

"CAA Board" means the Board of Directors of the CAA, its governing body.

"CAA Administrative Official" means the administrative official of the CAA as from time to time appointed by the CAA Board or such person as may from time to time be authorized in writing by such CAA Administrative Official to act for him/her with respect to any or all matters pertaining to this Agreement. If there shall be no CAA Administrative Official appointed and serving, the Chairperson of the CAA Board shall be deemed to be the CAA Administrative Official.

"Capital Equipment" means any and all furniture, machinery or equipment, either additional or replacement, having a per item original cost of \$6,000 or more and an expected useful life of more than one year.



"Capital Improvements" means any and all building additions, alterations, renovations, repairs (which extend the original useful life of the repaired asset) or improvements that have an initial dollar cost of not less than \$30,000 per project.

"City" means the City of Grand Rapids, Kent County, Michigan.

"City Commission" means the City Commission of the City, its governing body.

"Convention Center" means the DeVos Place convention center including the Steelcase Ballroom, DeVos Performance Hall, exhibit space, meeting rooms, conference areas and to the extent provided in Section 2.9(a) hereof, the below grade parking facility in the Convention Center located at 303 Monroe Avenue, N.W., in the City.

"Convention Center Operating Account" means the account maintained by SMG in accordance with Article V hereof (with signature authority in such SMG employees as SMG may from time to time determine) at the banking institution currently serving in such capacity as identified in Section 5.2(b) hereof or to be replaced as provided in said Section 5.2(b).

"County" means Kent County, Michigan.

"County Board" means the Board of Commissioners of the County, its governing body.

"Facility" or "Facilities" means individually and collectively the Arena and the Convention Center.

"First Renewal Term" means, subject to Section 3.1(b) hereof, the 2-year period from July 1, 2014, to June 30, 2016, for which this Agreement may be renewed (beyond the Initial Term) at the option of the CAA Board in accordance with Section 3.1 hereof.

"Fiscal Year" means a one year period beginning July 1 and ending June 30.

"Initial Term" means, subject to Section 3.1(a) hereof, the 3-year period commencing on July 1, 2011 and ending on June 30, 2014.

"Net Operating Income/Incentive Benchmark" shall have the meaning set forth in Section 4.2 hereof.

"Operating Expenses" means any and all expenditures or obligations of whatever kind or nature incurred, directly or indirectly, by SMG on behalf of the CAA in promoting, operating, maintaining, marketing or managing each Facility, including, but not limited to: employee compensation (e.g., base salaries, bonuses and car allowances); employee benefits and related costs (e.g., relocation expenses and parking); the purchase of operating supplies; advertising costs; cleaning expenses; data processing costs; dues, subscriptions and membership costs, the costs of procuring and maintaining the insurance and fidelity bond referred to in Article VIII below; amounts expended to procure and maintain permits and licenses and to pay charges, taxes, excises and fees, professional fees, printing and stationery costs, all event-related expenses (e.g., fees payable to promoters and performers, costs for event staffing and costs relating to set-up and clean-up); postage and freight costs; equipment rental costs; computer line charges;

repairs and maintenance costs; security expenses; the cost of office supplies; utility and telephone charges; travel expenses; reasonable entertainment expenses; the cost of employee uniforms; exterminator and trash removal costs; CAA internal service charges; reimbursable corporate (travel) expenses directly related to SMG's management of each Facility; the cost of annual independent audits; the costs of operation and maintenance responsibilities of the CAA related to the Pedestrian Walkway; the costs of maintenance responsibilities of the CAA related to the below grade parking facility in the Convention Center; as provided in Section 2.9(a) hereof; the cost of compliance with all laws with respect to each Facility; and the fixed management fees payable to SMG pursuant to Section 4.1 hereof; all damages, losses or expenses suffered or paid by the CAA, or, at the CAA's direction, by SMG, as a result of any and all claims, demands, suits, causes of action, proceedings, judgments and liabilities including reasonable attorney fees incurred in litigation or otherwise, assessed, incurred or sustained, all as determined in accordance with generally accepted accounting principles and recognized on a full accrual basis; provided that Operating Expenses shall not include expenditures in connection with Capital Improvements and Capital Equipment purchases (and any capital reserves related thereto), the incentive fees payable pursuant to Section 4.2 hereof and any capital costs or operating expenses of any nature whatsoever relating to the operation of the parking lots servicing the Arena. Solely for purposes of (i) calculating Net Operating Income/Incentive Benchmark and (ii) identifying Operating Expenses for each Facility which will be budgeted in the applicable Approved Budgets, Operating Expenses shall exclude fees paid to promoters and other amounts which are excluded from Operating Revenues (in accordance with the second to last sentence in the definition of Operating Revenues), among other things, in calculating SMG's incentive fee hereunder. For the sake of clarity, the fees and amounts, which are excluded from Operating Expenses pursuant to the immediately preceding sentence, shall include all event-related expenses (including costs for event staffing and costs relating to set-up and clean-up).

"Operating Revenues" means any and all revenues of every kind or nature derived from operating, managing or promoting each Facility, including, but not limited to, license, lease and concession fees and rentals; revenues from merchandise sales; advertising sales; equipment rentals; utility revenues; box office revenues; commissions or other revenues from decoration, set-up and security subcontractors; the revenues the CAA receives from the Pedestrian Walkway; miscellaneous operating revenues, revenues generated from separate agreements with SMG Affiliates pertaining to each Facility; and interest revenues, all as determined in accordance with generally accepted accounting principles and recognized on a full accrual basis. Solely for purposes of (i) calculating Net Operating Income/Incentive Benchmark, (ii) identifying Operating Revenues for each Facility which will be budgeted in applicable Approved Budgets, (iii) calculating any Revenue Increase pursuant to Section 4.2 hereof, and (iv) determining amounts of Operating Revenues to be deposited by SMG into the appropriate designated depository(ies) pursuant to Section 5.3 hereof, Operating Revenues will be calculated on a "net" basis to exclude (v) Operating Revenues which are paid to promoters of events, (w) Operating Revenues which are collected in the first instance by and retained by concessionaires at each Facility, (x) Operating Revenues which are collected in the first instance by and retained by subcontractors working within or for each Facility, (y) Operating Revenues which are used to pay event-related (or comparable) expenses and which, in accordance with principles applied by SMG on a consistent basis at each Facility are to be netted against Operating Expenses in calculating budgeted Operating Revenues and (z) revenues received from the below grade parking facility in the Convention Center and from the surface parking lot south and adjacent to

the Arena. In addition, solely for purposes of calculating the Net Operating Income/Incentive Benchmark, and any Revenue Increase pursuant to Section 4.2 hereof Operating Revenues (A) from advertising sales shall consist of such revenues after deduction for payments (1) of any commissions owing in respect of such advertising sales and (2) in respect of advertising sales due under any long term tenant agreement(s) (including without limitation the hockey team and any other long term Arena sports tenant), and (B) from food and beverage concession sales shall consist of such revenues after deduction for payments in respect of such sales due under any long term tenant agreement(s) (including without limitation the hockey team and any other long term Arena sports tenant).

"Operations Manual" means a document developed by SMG which contains terms regarding the management and operation of each of the Facilities, including detailed policies and procedures to be implemented in operating each Facility, as agreed upon by both the CAA and SMG. The parties acknowledge that to the extent that such manual contains any proprietary information of SMG (e.g., SMG-wide, not Facility-specific, operating policies, procedures and software) such information shall remain the property of SMG and shall not be kept at the Facilities after the expiration or sooner termination of this Agreement.

"Pedestrian Walkway" means an enclosed elevated pedestrian walkway extending from the west wall of the Arena to Plaza Towers located at the northwest corner of Fulton Street and Monroe Avenue, N.W., in the City as identified in Exhibit A attached hereto.

"Revenue Benchmark" shall have the meaning set forth in Section 4.2 hereof.

"Revenue Increase" shall have the meaning set forth in Section 4.2 hereof.

"SMG" means SMG, a Pennsylvania general partnership.

"Second Renewal Term" means, subject to Section 3.1(b) hereof, the 2-year period from July 1, 2016, to June 30, 2018, for which this Agreement may be renewed (beyond the First Renewal Term) at the option of the CAA Board in accordance with Section 3.1 hereof.

"State" means the State of Michigan.

## **ARTICLE II ENGAGEMENT OF SMG; SCOPE OF SERVICES**

**Section 2.1. Engagement.** Subject to the terms and conditions set forth herein, the CAA hereby engages SMG to promote, operate, maintain, market and manage the Facilities during the Initial Term, the First Renewal Term, if any, and the Second Renewal Term, if any, and SMG hereby accepts such engagement.

**Section 2.2. Scope of Services.** SMG shall perform and furnish such management services and systems as are appropriate or necessary to operate, maintain, market, manage and promote the Facilities in a manner consistent with SMG's policies and procedures and the operations of other similar first-class facilities. SMG shall have exclusive authority over the day-to-day operation of the Facilities and all activities therein; *provided*, that SMG shall, subject to Section 2.5 hereof, follow the booking policy for each Facility as now in effect and as

amended from time to time and all other policies and guidelines of the CAA hereafter established by the CAA, that the CAA notifies SMG in writing are applicable to each Facility; *provided, further*, that to the extent that such policies or guidelines hereafter established by the CAA materially affect revenues or expenses at either Facility, then and in that event, the Net Operating Income/Incentive Benchmark and the Revenue Benchmarks for the affected Facility, as appropriate, shall be correspondingly adjusted by mutual agreement of the CAA and SMG so that they properly reflect the changed costs or adjusted revenues resulting from such policies or guidelines. For purposes hereof, changes in the policies and guidelines of the CAA shall include, but not be limited to, changes in the assumptions relating to expense allocations of the CAA from those contained in the Approved Budgets for the Arena and the Convention Center for the Fiscal Year ending June 30, 2011.

**Section 2.3. Specific Services.** Without limiting the generality of the foregoing, SMG shall have, without prior approval of the CAA, except as otherwise expressly provided below, the sole right, responsibility and authority to:

(a) employ, subject to Section 7.1 hereof, supervise and direct employees and personnel at each of the Facilities consistent with the provisions of this Agreement;

(b) administer relationships with all subcontractors, concessionaires and all other contracting parties and assume responsibility for (i) negotiating, subject to subsection (c) below, any renewals and extensions of such agreements to the extent necessary or desirable, and (ii) the compliance with, and enforcement of, such agreements;

(c) negotiate, execute and enter into, in its own name, pursuant to the terms of this Agreement, and administer any and all licenses, occupancy agreements, booking commitments (subject to Section 2.5 hereof), advertising agreements, concession, agreements, supplier agreements service contracts (including, without limitation, contracts for cleaning, decorating, and set-up; snow removal, general maintenance; maintenance and inspection of HVAC systems, elevators, stage equipment, floor control panel and other safety equipment; staffing and personnel needs including guards and ushers; and other services which are necessary or appropriate) and all other contracts in connection with the management, maintenance, promotion and operation of the Facilities, provided that in the event SMG desires to execute or enter into a written agreement and such agreement (i) involves a long term lease with a sports team or (ii) is for a term longer than the Initial Term or the First or Second Renewal Term then in effect, SMG shall obtain the approval of the CAA Board prior to executing and delivering any such agreement. Said written agreements shall be executed or entered into in accordance with the policies adopted by the CAA from time to time. Upon request SMG will promptly provide legal counsel designated by the CAA Board with fully executed copies of service agreements, service contracts, license agreements, rental agreements, settlement reports, and any other agreements referenced herein. In connection with its activities under this subparagraph (c), SMG will give consideration, where appropriate, to local contractors and suppliers;

(d) to the extent that funds provided by the CAA are made available therefor, maintain the Facilities in the condition received, reasonable wear and tear excepted; *provided* that the CAA shall be responsible for undertaking all Capital Improvements and Capital

Equipment purchases as pursuant to Section 5.5 hereof; *provided, further*, SMG shall develop, annually update and adhere to a maintenance plan with respect to each Facility which plan will include specific timeframes for required repairs and refurbishings and shall be approved by the CAA Board or, upon the direction of the CAA Board, the CAA Administrative Official;

(e) to the extent that funds provided by the CAA are made available therefor, rent, lease or purchase all equipment and maintenance supplies necessary or appropriate for the operation and maintenance of the Facilities, provided that the CAA shall be responsible for undertaking all Capital Improvements and Capital Equipment purchases pursuant to Section 5.5 hereof;

(f) establish and adjust prices, rates and rate schedules for licenses, agreements, contracts and any other commitments relating to each Facility to be negotiated by SMG in the course of its management, maintenance, operation and promotion of each Facility, *provided, however*, that such adjustments that would bind the CAA or changes to rate schedules in effect at either Facility shall be subject to the prior approval of the CAA Board which approval shall not be unreasonably withheld. In determining such prices and proposing rate schedules for approval by the CAA Board, SMG shall evaluate comparable rates and charges at similar facilities;

(g) collect Operating Revenues for each Facility in accordance with Sections 5.3 and 5.4 hereof;

(h) pay Operating Expenses for each Facility using funds on deposit in the Arena Operating Account or the Convention Center Operating Account, respectively;

(i) after consultation with and approval of the CAA Board, institute on behalf of the CAA and at the reasonable expense of the CAA with counsel selected by SMG and approved by the CAA Board (which counsel will be from the Grand Rapids area if such action is filed in the Grand Rapids area), such legal actions or proceedings as SMG shall deem necessary or appropriate in connection with the operation of the Facilities, including, without limitation, to collect charges, rates, rents or other revenues due to the CAA or SMG as Operating Revenues hereunder or to cancel, terminate or sue for damages under any license, use, advertisement or concession agreement for the breach thereof or default thereunder by any licensee, user, advertiser, or concessionaire at either Facility;

(j) maintain a master set of all booking records and schedules for each Facility and provide the CAA Board with a monthly update at each regular meeting of the CAA Board or otherwise upon request of the CAA Board;

(k) provide day-to-day administrative services in support of its management activities pursuant to applicable Approved Budgets and annual plans described herein, including, but not limited to, the acquisition of services, equipment, supplies and facilities; internal budgeting and accounting; maintenance and property management; personnel management; record-keeping; billing and collections; and similar services;

(l) engage in such advertising, solicitation, and promotional activities as SMG deems necessary and appropriate to develop the potential of each Facility and the cultivation of broad-community support (including without limitation selling advertising inventory and securing product rights for each Facility in a manner which is not in violation of any long term tenant agreement); *provided, however*, that CAA funds shall not be used to co-promote any event at either Facility without the prior consent of the CAA Board. SMG shall work with Experience Grand Rapids Convention and Visitors Bureau to market the Facilities for conventions, trade shows and entertainment events. In advertising relating to the Facilities, SMG shall be permitted to use the terms "Van Andel Arena," "DeVos Place," "DeVos Place Convention Center," "Grand Rapids-Kent Convention/Arena Authority" or "CAA" and related logos, subject to the prior approval of the CAA's Administrative Official;

(m) develop a general customer feedback system for each Facility which permits users and event attendees to complete focus surveys and/or evaluation reports, which SMG agrees to make available to the CAA upon request;

(n) periodically review and implement, as needed, improvements to box office operations for the Facilities;

(o) represent the interests of each Facility, as necessary or appropriate, with City and County departments, the City Commission, the County Board and the CAA Board;

(p) use reasonable efforts to negotiate multiyear occupancy or license agreements with key Convention Center tenants;

(q) develop, implement and maintain a policy for commercial advertising within each Facility, which policy shall be subject to the approval of the CAA Board or, upon the direction of the CAA Board, the CAA Administrative Official. Said policy for commercial advertising shall be reflected in either a stand-alone policy or in a written agreement with the provider of such services; and

(r) maintain each of the Facilities in accordance with its respective Operations Manual and the terms of this Agreement, including but not limited to, routine repairs, preventative maintenance, janitorial services, groundskeeping services, maintenance of all interior and exterior walls, maintenance of landscaping and a walking inspection of each of the Facilities on a daily basis.

#### **Section 2.4. Use of Premises.**

SMG may use and occupy the premises of each Facility only for the purpose of operating, maintaining, promoting, marketing and managing each Facility consistent with the terms and conditions of this Agreement and any tenant leases that may be in effect from time to time.

### **Section 2.5. Bookings.**

SMG shall have the sole authority to book events in each Facility, provided that all bookings shall be consistent with a booking policy for each Facility approved by the CAA Board. SMG shall periodically review each such policy and make recommendations for revisions as appropriate to the CAA Board.

### **Section 2.6. Insurance.**

SMG shall obtain certificates or other evidence of insurance carried by licensees, users, promoters, exhibitors, concessionaries or other persons contracting for use of either Facility. SMG shall require that the CAA, SMG, the City, the County, the DDA and the Building Authority to be named as additional insured on such insurance policies, which shall be issued by companies licensed to do business in the State or qualified by virtue of being surplus lines carriers. Upon request SMG shall provide the CAA's Administrative Official with such insurance certificates or other evidence of insurance coverage.

### **Section 2.7. Right of Entry Reserved.**

Representatives of the CAA designated by the CAA Administrative Official shall have the right, in the course of performing their responsibilities for the CAA, upon reasonable advance notice to SMG and at appropriate times, to enter all portions of each Facility to inspect same, to observe the performance of SMG of its obligations under this Agreement, to install, remove, adjust, repair, replace or otherwise handle any equipment, utility lines, or other matters in, on, or about the premises, or to do any act or thing which the CAA may be obligated or have the right to do under this Agreement or otherwise. Nothing contained in this Section 2.7 is intended or shall be construed to limit any other rights of the CAA under this Agreement. The CAA shall not interfere with the activities of SMG hereunder, and the CAA's actions shall be conducted such that disruption of SMG activities shall be kept to a minimum. Nothing in this Section 2.7 shall impose or be construed to impose upon the CAA any independent obligation to maintain or make repairs, replacements, alterations, additions or improvements to the Facilities or creates any independent liability for any failure to do so.

### **Section 2.8. Computer System.**

(a) The CAA has installed a computer system for the Facilities in connection with its operation, management, maintenance and promotion of such Facilities. The hardware and software for such computer system is and shall remain the property of the CAA.

(b) SMG may, as an Operating Expense for the Facilities or as a Capital Expenditure pursuant to Section 5.5 hereof, purchase additional hardware and/or software which shall be and remain the property of the CAA.

(c) SMG may elect to provide proprietary software to be used on the CAA-provided computer system for the management and operation of the Facilities. SMG may charge for the use of such proprietary software provided such cost is competitive and is included in Operating

Costs. Such software may also be housed on a third party site with access provided to the staff of the Facilities. All copies of such software shall be returned to SMG (or access thereto terminated) upon the expiration or termination of this Agreement, provided that all records within the database of such software shall remain the property of the CAA and shall be turned over to the CAA or such other party as the CAA may designate upon such expiration or termination.

(d) SMG shall, on or prior to the commencement of the Initial Term, provide a list to the CAA of SMG's proprietary software described in Section 2.8(c) above.

### **Section 2.9. Parking.**

(a) Other than the provision of custodial services and electrical, plumbing and other routine maintenance, striping and signage, SMG shall have no management, operation or promotion rights or obligation with respect to the parking facility located below grade in the Convention Center, unless the CAA elects to provide SMG with the funds to make any expenditures related to such parking facility. It is acknowledged by the parties that (i) the cost of supplies of light bulbs, ballasts and ceiling tiles for such parking facility will continue to be paid by the CAA, and (ii) any re-striping work for such parking facility shall be paid for by the CAA. The general manager and all director-level employees at the Convention Center employed by SMG shall be entitled to park in such facility as provided in the Approved Budget. Other full time employees of SMG located at the Convention Center shall have parking privileges at such facility at a cost comparable to those offered to full-time County and City employees.

(b) SMG employees located at the Arena shall be entitled to park in the lot adjacent and to the South of the Arena as provided in the Approved Budget.

## **ARTICLE III TERM AND RENEWALS**

### **Section 3.1. Initial Term and Renewal Terms.**

(a) The Initial Term of this Agreement with respect to both Facilities shall commence at 12:01 a.m. on July 1, 2011, and will end at midnight on June 30, 2014, unless (i) earlier terminated pursuant to the provisions of this Agreement or (ii) renewed for the First Renewal Term as provided in subsection (b) below.

(b) The CAA Board, in its sole discretion, may extend the term of this Agreement for (i) the First Renewal Term upon not less than 180 days' written notice to SMG prior to the end of the Initial Term, i.e. June 30, 2014, unless otherwise terminated pursuant to the provisions of this Agreement, to commence on July 1, 2014, at 12:01 a.m. and end at midnight on June 30, 2016, unless earlier terminated pursuant to the provisions of this Agreement and (ii) thereafter for the Second Renewal Term, upon not less than 180 days' written notice to SMG prior to the end of the First Renewal Term, i.e. June 30, 2016, unless otherwise terminated pursuant to the provisions of this Agreement, to commence on July 1, 2016, at 12:01 a.m. and end at midnight on June 30, 2018, unless earlier terminated pursuant to the provisions of this Agreement.



### **Section 3.2. New Agreement.**

If the CAA intends, upon termination of the Initial Term, the First Renewal Term or the Second Renewal Term, as applicable, to continue to provide for the promotion, operation, maintenance and management of either Facility through a private party and this Agreement has not been terminated upon a default by SMG or pursuant to Section 12.2(b) hereof, then the CAA will during the final year of the Initial Term, the First Renewal Term or the Second Renewal Term, as applicable, negotiate and discuss in good faith a new contract or arrangement with SMG for the provision of such services following the completion of such term. The obligation to negotiate with SMG is not intended to guarantee any rights for a future agreement with SMG or any specific terms of a new agreement.

## **ARTICLE IV SMG'S COMPENSATION**

### **Section 4.1. Base Fee.**

As base compensation to SMG for providing the services herein specified during the Initial Term, the First Renewal Term, if any, or the Second Renewal Term, if any, the CAA shall pay SMG during the Initial Term, the First Renewal Term, if any, or the Second Renewal Term, if any, an annual fixed base fee of \$325,000 for the first year of the Initial Term, which amount shall be adjusted upward on the first day of each subsequent Fiscal Year during the term hereof by the percentage change in the Consumer Price Index All Urban Consumers (CPI-U), U.S. city average, during the one year period ending in June immediately preceding such Fiscal Year, as published by the U.S. Department of Labor, *provided*, that for purposes of this adjustment the amount of any yearly increase in the foregoing index in excess of 3% shall be disregarded. The foregoing annual fixed compensation shall be payable in equal monthly installments due on or before the last day of each month during each such Fiscal Year from the advances of funds pursuant to Sections 5.2 and 5.3 hereof. During each Fiscal Year the fixed base fee shall be allocated equally between the Facilities. Notwithstanding anything to the contrary in this Section 4.1, in the event that a certain Food and Beverages Services Agreement dated as of July 1, 2011, by and between the CAA and SMG Food and Beverage, LLC (the "F&B Agreement") is terminated during the course of any Fiscal Year during the term of this Agreement, then (a) the fixed base fee for such Fiscal Year shall be immediately increased by \$50,000, *provided, however*, such \$50,000 increase shall be paid to SMG on a pro rata basis taking into account the number of months having elapsed in such Fiscal Year; and (b) in lieu of the annual fixed base fee otherwise described in this Section 4.1, the CAA shall pay SMG such increased annual fixed fee base amount for the subsequent Fiscal Year and each Fiscal Year thereafter during the Initial Term, the First Renewal Term, if any, and the Second Renewal Term, if any. For example, if the F&B Agreement is terminated in June, 2013, and the annual fixed base fee at such time is \$330,000, then (a) the monthly installment due SMG for June, 2013 which would otherwise be \$27,500 would be increased by \$4,167, and (b) the annual fixed base year for the Fiscal Year beginning July 2013 would be \$380,000.

## **Section 4.2. Incentive Fee.**

(a) SMG shall be entitled to an annual incentive fee with respect to each Fiscal Year during the Initial Term, the First Renewal Term, if any, and the Second Renewal Term, if any, which shall be equal to the amount established in accordance with the following sentence, *provided, however*, that in no event shall the incentive fee for any Fiscal Year exceed 100% of the base fee payable for such Fiscal Year pursuant to Section 4.1 hereof. Subject to the proviso in the immediately preceding sentence, the annual incentive fee shall be an amount calculated with respect to each Fiscal Year equal to the sum of (i) 25% of the first \$500,000 of any Revenue Increase and (ii) 30% of any Revenue Increase in excess of \$500,000.

(b) Notwithstanding the foregoing paragraph, the incentive fee, calculated as provided in Section 4.2(a) above, shall only be paid in any Fiscal Year pursuant to the threshold levels set forth below:

<u>Amount By Which Operating Revenues Exceed Operating Expenses</u>	<u>Percentage of Incentive Fee under Section 4.2(b) Payable to SMG</u>
\$700,000 or More and Less Than \$750,000	75%
\$750,000 or More	100%

(c) Revenue Increase means the amount by which Operating Revenues for a given Fiscal Year exceed the Revenue Benchmark for such Fiscal Year. The Revenue Benchmark, for the first year of the Initial Term, shall be an amount equal to the total of \$9,100,000. After the first year of the Initial Term, the Revenue Benchmark shall be adjusted upward \$100,000 annually during the remainder of the term hereof.

(d) The CAA shall pay SMG any incentive fee earned under this Section 4.2 within 30 days of its receipt of audited financial statements for the Facilities for the applicable Fiscal Year for which the incentive fee is payable. Such audited financial statements shall include a supplemental statement containing the calculation of any incentive fee payable.

## **ARTICLE V FUNDING; BUDGETS; BANK ACCOUNTS**

### **Section 5.1. Annual Budgets.**

(a) It is the intention of the parties that SMG maintain separate financial records and accounts, as well as prepare separate budgets, for each Facility. In connection with the preparation of budgets for each Facility, SMG will seek to identify areas of Operating Expenses (such as, split-function personnel, equipment and vendor supervision) where possible synergies from its management of both Facilities can be achieved and in such instances specifically identify and allocate such Operating Expenses between both Facilities in such budgets and provide such information to the CAA.

(b) In conjunction with the preparation of the annual budget the CAA Board shall adopt an annual operating budget for each of the Facilities (the "Approved Budgets").

(c) For each Fiscal Year during the Initial Term, the First Renewal Term, if any, or the Second Renewal Term, if any, SMG will prepare a recommended annual operating budget for each Facility which it believes will meet the scope of services and objectives under this Agreement. The budget shall contain estimates of Operating Revenues and Operating Expenses, as well as any recommendations for Capital Improvements or Capital Equipment in such detail and format as the CAA Board or the CAA's Administrative Official may reasonably require. Such proposed annual budgets shall be submitted in a timely manner with a fully documented draft version no later than April 1 and a final budget submission no later than May 1 immediately preceding each new Fiscal Year. SMG shall cooperate with the CAA's Administrative Official, as it relates to the preparation and submission to the CAA Board of the annual operating budget for each Facility, including such meetings with the CAA Board and committees of the CAA Board, as may be reasonably necessary to explain the proposed annual budget.

(d) Upon adoption of the Approved Budget for each of the Facilities for any Fiscal Year, which in no event shall be later than the June 30 immediately preceding such Fiscal Year, the CAA's Administrative Official shall provide SMG with Approved Budgets for each of the Facilities for such Fiscal Year.

(e) If the Approved Budget for either Facility for a Fiscal Year modifies the proposed annual operating budget for such Fiscal Year submitted by SMG to such an extent that, in SMG's reasonable judgment, such budget would materially interfere, impede or impair the ability of SMG to manage, operate, maintain or promote such Facility, SMG shall have the right to terminate this Agreement pursuant to Section 12.2(a) hereof, and the exercise of such right shall not be considered a breach of this Agreement. Any exercise of SMG's right to terminate under this subsection (e) shall be exercised within 30 days of receipt of the applicable Approved Budgets from the CAA's Administrative Official or shall be considered waived for such Fiscal Year.

(f) At any time during a Fiscal Year, SMG shall have the right to seek an amendment to the Approved Budget for either Facility for such Fiscal Year. Nothing in this subsection (f) shall require the CAA, to grant such requests, nor shall the denial of any such requested amendment constitute grounds for termination of this Agreement by SMG. The CAA's Administrative Official shall also have the right to request amendments to the applicable Approved Budget for each Facility, provided that such requested amendments shall not, without SMG's prior consent, reduce the aggregate amount of budgeted Operating Expenses for such Facility. Upon approval by the CAA Board of any such requested amendment (a copy of which shall be promptly furnished to SMG), the Approved Budget for such Facility shall thereafter be as amended. SMG shall have the right to request an amendment to the Approved Budget for either Facility as may be necessary or appropriate as the result of the scheduling by SMG of additional events or activities at either Facility (and the incidence of additional Operating Expenses arising from the scheduling of additional events or activities at either Facility) as long as prior to the scheduling of such events or activities, SMG has a good faith belief that the

combined Net Operating Income/Incentive Fee Benchmark for the Facilities would not be adversely affected as a result of such additional events or activities.

### **Section 5.2. Funding.**

(a) Utilizing the Approved Budget for each Facility for a Fiscal Year, SMG shall prepare an analysis of the monthly cash flow needed for the operation of each Facility and shall furnish a copy of same to the CAA's Administrative Official. At the commencement of the Fiscal Year beginning July 1, 2011 and annually thereafter, the CAA shall advance to SMG sufficient funds to satisfy the cash flow needs for operation of the Arena and the Convention Center, respectively, for each month covered thereby as provided in Section 5.3 hereof. Such funds shall be deposited into the respective Arena Operating Account and the Convention Center Operating Account established by SMG in accordance with subsection (b) hereof at the banking institution of its choice, licensed to conduct business within the State and be conducting business within the County. SMG may use these funds for the payment of the respective Operating Expenses as approved in the Approved Budgets for the Arena and the Convention Center respectively.

(b) Currently SMG has established the Arena Operating Account and the Convention Center Operating Account with Fifth Third Bank. If during the Initial Term, the First Renewal Term, if any, or the Second Renewal Term, if any, SMG decides to change the banking institution providing such services, SMG may, but shall not be obligated to, rebid such services. Any subsequent banking institution selected shall be approved by the CAA Board or upon designation by the CAA Board, the CAA Administrative Official, licensed to conduct business within the State and be conducting business in the County.

### **Section 5.3. Receipts.**

(a) Upon receipt by SMG, all Operating Revenues for each Facility shall be deposited by SMG in the Arena Operating Account or the Convention Center Operating Account, respectively. SMG shall pay event-related and other Operating Expenses for each Facility out of the funds on deposit from time to time in such Account for such Facility. If requested by the CAA, within 30 days following the end of each fiscal quarter, SMG shall provide the CAA a cash reconciliation of the Operating Revenues and Operating Expenses for each Facility for the fiscal quarter just ended.

(b) In addition, if requested by the CAA, 30 days prior to the end of each fiscal quarter, SMG will prepare a projected cash flow for the upcoming fiscal quarter for each Facility. Based on SMG's cash flow projections, if Operating Revenues for such upcoming fiscal quarter are not sufficient to pay Operating Expenses in a timely fashion for either Facility, SMG shall prepare a request for funds to satisfy the cash flow needs for each month representing the upcoming fiscal quarter for the affected Facility, and the CAA will make available to SMG the funds necessary to pay such Operating Expenses based upon the Approved Budget in effect for such Fiscal Year for such Facility. If the Operating Revenues exceed the Operating Expenses for either Facility for the fiscal quarter just ended, the amount of SMG's request for funds for such Facility under this subsection (b) shall be reduced by the amount of such excess or by an amount

which SMG estimates at the time of the funding of such request for funds to be the probable amount of such excess.

(c) If the excess (based on actual numbers or on SMG's estimates at the time of funding of a request for funds under subsection (b)) of Operating Revenues over Operating Expenses for either Facility for the fiscal quarter just ended) exceeds SMG's entire request for funds for such Facility under subsection (b) above for the upcoming fiscal quarter, then the amount of such excess under this subsection (c) shall be promptly paid to the CAA.

(d) To the extent that any such estimates by SMG are used under subsections (b) or (c), the quarterly cash reconciliation's shall include a reconciliation of the difference between (i) such estimates of the excess of Operating Revenues over Operating Expenses for the prior fiscal quarter, if any, and (ii) the actual amount of such excess. At the time of the yearend audit pursuant to Section 6.1 hereof, SMG and the CAA shall perform a final cash reconciliation for the Arena Operating Account and the Convention Center Operating Account for the previous Fiscal Year. All such Operating Revenues shall, from the time received by SMG, be the sole property of the CAA. Any breach of the provisions of this Section 5.3 shall constitute a material breach of this Agreement.

(e) With respect to each of the Arena Operating Account, the Convention Center Operating Account and the accounts for each Facility referred to in Section 5.4 hereof (such other accounts being referred to as the "Ticket Sales Accounts"), (i) title to each such account shall include, in addition to SMG, the name of the CAA, (ii) to the extent that any such account contains signing authority, a designated representative(s) of the CAA shall be added to the list of individuals who have signing authority thereunder, and (iii) the funds therein are the property of the CAA (x) subject to the rights granted SMG under this Agreement to make deposits and withdrawals from each such account and to be entitled to receive payments therefrom for any fees and reimbursements due SMG hereunder and, (y) with respect to Ticket Sales Accounts, subject to the rights of the CAA and SMG as provided in Section 5.4 hereof.

#### **Section 5.4. Ticket Sales Revenues.**

SMG shall hold in a separate interest-bearing account for each Facility (each a "Ticket Sales Account") in a banking institution depository licensed by the State, operating in the County, approved by the CAA Board or upon designation by the CAA Board, the CAA Administrative Official, any ticket sales revenues which it receives with respect to an event to be held at each Facility pending the completion of the event. Such monies are to be held for the protection of ticket purchasers, the CAA and SMG, and to provide a source of funds, as required for payments to performers and promoters and for payments of Operating Expenses for such Facility in connection with the presentation of events as may be required to be paid contemporaneously with the event. Following the satisfactory completion of each event, SMG shall immediately deposit such funds into the Convention Center Operating Account or the Arena Operating Account, respectively. The balance of such funds that remain after the payment by SMG, from funds deposited in such account, of event-related and other Operating Expenses excluded from the definition of Operating Expenses pursuant to the last sentence thereof, shall remain in the applicable operating account and be used to pay Operating Expenses or paid to the

CAA as provided in Section 5.3 hereof. SMG will promptly upon request of the CAA provide full event settlement reports for review by the CAA. Interest which accrues on amounts deposited in the Ticket Sales Accounts shall be considered Operating Revenues for the applicable Facility. Bank service charges, if any, on such account shall be considered Operating Expenses for such Facility.

#### **Section 5.5. Capital Improvements; Capital Equipment.**

The obligation to pay for, and authority to perform, direct and supervise Capital Improvements and Capital Equipment purchases shall remain with the CAA, as the case may be, and will not be considered Operating Expenses for either Facility. All capital improvements and equipment purchases which do not constitute Capital Improvements or Capital Equipment hereunder shall be included in the applicable annual budget prepared by SMG for each Facility, and to the extent provided for in the Approved Budget for the applicable Facility, shall be acquired and installed at the direction of SMG and accounted for as Operating Expenses for the applicable Facility. The annual plan submitted pursuant to Section 6.2 hereof shall include SMG's recommendation for Capital Improvements and Capital Equipment purchases to be accomplished during the Fiscal Year for each Facility and shall be accompanied by an estimate of the cost of all such items and projects and a request that the CAA budget funds therefor. The CAA shall retain the discretion to determine whether and to what level to fund Capital Improvements and Capital Equipment purchases to the respective Facility.

#### **Section 5.6. Limitation of SMG Liability.**

Notwithstanding any provision herein to the contrary and except for SMG's express indemnification responsibilities in Section 8. 1 hereof, SMG shall have no obligation to fund any cost, expense or liability with respect to the operation, maintenance, management or promotion of the Facilities beyond the extent of the funds deposited for each Facility from time to time in the Arena Operating Account or the Convention Center Operating Account, respectively.

### **ARTICLE VI RECORDS, AUDITS AND REPORTS**

#### **Section 6.1. Records and Audits.**

SMG shall keep full and accurate accounting records relating to its activities at each Facility in accordance with generally accepted accounting principles. SMG shall maintain a system of bookkeeping adequate for its operations hereunder. SMG shall upon request give an authorized representative(s) of the CAA as designated by the CAA Board or CAA Administrative Official access to such books, records and other information maintained at each Facility and to inspect and audit such books and records concerning the management and operation of each Facility as is deemed necessary and desirable by the CAA during reasonable business hours and upon reasonable advance notice. SMG shall keep and preserve for at least 3 years following each Fiscal Year all sales slips, rental agreements, purchase orders, sales books, credit card invoices, bank books or duplicate deposit slips, and other evidence of Operating Revenues and Operating Expenses for each Facility for such period. In addition, on or before

September 30th following each Fiscal Year, SMG shall furnish to the CAA a set of special purpose financial statements and notes thereto in a format consistent with disclosure contained in such statements previously provided for the year ended June 30, 2010, accompanied by an independent auditor's report of a nationally recognized, independent certified public accountant or firm of independent certified public accountants. The audit shall contain an opinion expressed by the independent auditor of the accuracy of financial records kept by SMG for such Facility. The audit shall also provide a certification of (i) Operating Revenues and Operating Expenses for such Fiscal Year and (ii) the calculation of the incentive fee under Section 4.2 hereof. The CAA shall have the right to participate in the pre-audit meeting(s) with the auditors. The audit shall be conducted by a reputable individual or firm selected by SMG with approval by the CAA. The CAA shall not withhold or delay such consent or approval unreasonably. Notwithstanding anything to the contrary herein, the costs of such audit for each Facility shall be deemed Operating Expenses for such Facility. In addition, SMG shall cooperate with the CAA and its employees and designated representatives in the preparation of CAA consolidated financial statements. The CAA reserves the right to conduct performance audits during the term of this Agreement, the results of which shall be shared with SMG.

#### **Section 6.2. Annual Plan.**

SMG shall provide to the CAA on or before May 1 of each year, an annual management plan for each Facility, which shall include the annual operating budget proposed by SMG for such Facility for the next Fiscal Year. The annual plan for each Facility shall include information regarding SMG's anticipated operations for such Facility for such Fiscal Year, including planned operating maintenance activities by SMG, requested Capital Improvements and Capital Equipment purchases and an anticipated budget therefor, anticipated events at such Facility, anticipated advertising and promotional activities, and planned equipment and furnishings purchases. The annual plan for each Facility shall be used by the CAA Board in reviewing and making decisions upon the annual operating budget for the applicable Facility. The annual plan shall be subject to review, revision and approval by the CAA. Following review and revision by the CAA, SMG shall have 30 days to incorporate the CAA's revision to the annual plan. Upon approval by the CAA, such annual plan shall constitute the operating program for SMG for the following Fiscal Year.

#### **Section 6.3. Monthly Reports.**

At each regular CAA Board meeting, SMG shall provide to the CAA Board a written monthly report in a form approved by the CAA and similar to that used in other SMG-managed facilities setting out the anticipated activities and financial condition of the applicable Facility for the upcoming month and reporting on the prior month's activities and finances. Such monthly reports shall include such detail that is not less than that currently being provided at the effective date of this Agreement. In addition, SMG shall cooperate with the CAA and its employees and designated representatives in the preparation of a consolidated report covering both Facilities.

#### **Section 6.4. Annual Performance Review.**

SMG shall provide a self-review of SMG's performance hereunder based upon operating results, SMG's reporting systems and such other criteria as the CAA and SMG mutually agree. Any such annual review shall be delivered to the CAA prior to October 1 following any Fiscal Year during the term hereof. The CAA shall consider SMG's self-review and, if the CAA desires, prepare a report and recommendations regarding SMG performance. SMG shall, if appropriate, respond to such performance review in its annual plan for the Fiscal Year following the delivery of such a review.

#### **Section 6.5. Internal Audits.**

SMG agrees that during the term of this Agreement it will periodically conduct internal audits of the operations of each Facility in accordance with written internal procedures on file with SMG and available for review by an authorized CAA representative(s) upon request. Upon request of the CAA Administrative Official, SMG shall provide a copy of the audit.

### **ARTICLE VII EMPLOYEES**

#### **Section 7.1. SMG Employees.**

(a) SMG shall select, train and employ at each Facility such number of employees as SMG deems necessary or appropriate to satisfy its responsibilities under this Agreement. SMG shall use its best efforts to recruit and hire employees who will be proficient, productive, and courteous to patrons. SMG shall have the authority to hire, terminate and discipline any and all personnel working at either Facility.

(b) SMG shall assign to the Facilities a competent, full-time general manager who shall, except upon the prior written approval of the CAA, have no duties other than the day-to-day operation and management of the Facilities. At the time of selection, the general manager shall be subject to interview and approval by the CAA. Such approval shall not be unreasonably withheld or delayed. The general manager shall report to the CAA Board or, upon direction of the CAA Board, the CAA Administrative Official.

(c) SMG shall not, without the prior approval of the CAA Board or, upon direction of the CAA Board, the CAA Administrative Official, assign work to the general manager or a director-level employee other than work for, or directly related to, the Facilities. The foregoing restrictions shall not apply to assistance provided to other SMG-managed facilities in the same fashion as the Facilities have received in the past from other SMG employees who are located at other SMG-managed facilities, provided, the CAA Administrative Official is notified by SMG in advance of such assignment.

(d) Except as otherwise agreed by SMG and the CAA in writing. SMG employees at the Facilities shall not for any purpose be considered to be employees of the CAA. SMG shall be solely responsible for their supervision, daily direction and control, compensation (and tax



withholding), any employee benefits, unemployment insurance and worker's compensation liability, and insurance expenses, provided that the foregoing expenses shall be considered Operating Expenses of the applicable Facility.

#### **Section 7.2. No Solicitation of Employment by CAA.**

During the period commencing on the date hereof and ending 1 year after the termination of this Agreement, except with SMG's prior written consent, the CAA will not, for any reason, solicit for employment any of the senior management personnel employed by SMG at the Facilities, including, without limitation, the general manager and director-level employees. In addition to any other remedies which SMG may have, specific performance in the form of injunctive relief shall be available for the enforcement of this provision.

### **ARTICLE VIII INDEMNIFICATION AND INSURANCE**

#### **Section 8.1. Indemnification.**

(a) SMG shall indemnify, defend and hold harmless the CAA and its officers, boardmembers, agents and employees (the "CAA Indemnified Persons") from and against any and all losses, liabilities, claims, damages and expenses (including reasonable attorneys fees) (collectively, the "Losses") arising from (i) any negligent act or omission or willful misconduct of SMG or its officers, employees or agents, or (ii) any act that exceeds SMG's authority under this Agreement or is not otherwise authorized by this Agreement, *provided, however*, that the foregoing indemnification shall not extend to Losses to the extent such Losses (A) arise from any breach or default by the CAA of its obligations under subsection (b) below or (B) are of the type that are or would normally be covered by commercial insurance covering the premises at each Facility, or (C) arise from violations of the Michigan Liquor Control Act, Act 8 of the Public Acts of Michigan of 1933, as amended, and the regulations promulgated pursuant thereto to the extent such Act 8 and regulations prohibit such indemnification. The CAA Indemnified Persons shall be required to exhaust all available insurance coverage for the Facilities prior to asserting any claim against SMG pursuant to this subsection (a).

(b) The CAA shall indemnify, defend and hold harmless SMG, its partners, officers, agents and employees (the "SMG Indemnified Persons") from and against any and all Losses arising from (i) any negligent act or omission or willful misconduct of the CAA or its officers, boardmembers employees or agents, (ii) the fact that either Facility is not, or has not been, in compliance with all Laws (as defined in Section 11.2 hereof), (iii) the fact that there is any condition on, above, beneath or arising from the premises occupied by either Facility which might under any Law, give rise to liability or which would or may require any "response," "removal" or "remedial action" as such terms are defined under the Comprehensive Environmental Response Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act; *provided, however*, that the foregoing indemnification in clauses (i), (ii) or (iii) above shall not extend to Losses to the extent such Losses arise from any negligent act or omission or willful misconduct of SMG or its partners, officers, employees or agents, (iv) any structural defect with respect to either Facility or the premises occupied by either

Facility, (v) any obligation or liability under or in respect of any contract, agreement or other instrument properly executed by SMG as authorized herein, (vi) any obligation or liability for physical damage, except for such physical damage caused by the negligence of SMG or its officers, employees or agents, or other Loss to any real property assets located at either Facility or intended to be incorporated therein, whether such property is insured by the CAA or whether the CAA decides not to insure for such Losses, or (vii) any act or omission carried out by SMG at or pursuant to the written direction or instruction of the CAA, its agents or employees. SMG Indemnified Persons shall be required to exhaust all available insurance coverage for the Facilities prior to asserting any claim against the CAA pursuant to this subsection (b).

(c) The provisions set forth in subsections (a) and (b) above shall survive termination of this Agreement, *provided, however*, that except for indemnification based upon subsection (b)(iv), (v), (vi) or (vii) above, a claim for indemnification pursuant to this Section 8.1 shall be valid only if the party entitled to such indemnification provides written notice thereof to the other party prior to 3 years following the date of termination of this Agreement.

(d) The terms of all insurance policies referred to in this Article VIII shall preclude subrogation claims against SMG, the CAA, the City, the County, the DDA, the Building Authority and their respective partners, boardmembers, officers, employees or agents. In addition, if the CAA fails to maintain commercial insurance covering the premises at either Facility then the CAA hereby waives any subrogation claims that it may have against SMG and its partners, officers, employees or agents with respect to Losses that would normally be covered by such insurance.

## **Section 8.2. Liability Insurance.**

(a) SMG has secured and delivered to the CAA prior to the commencement of this Agreement, and shall keep in force at all times during the term of this Agreement, a commercial liability insurance policy, including public liability and property damage, in such form and from such company as is reasonably acceptable to the CAA, covering the Facilities, the operations hereunder with respect thereto, and any negligent acts or omissions of SMG or the CAA in connection therewith, in the amount of \$3,000,000 for bodily injury and \$2,000,000 for property damage, or in a combined single limit of \$5,000,000 for each occurrence and in the annual aggregate.

(b) SMG shall also maintain comprehensive automotive bodily injury and property damage insurance for business use covering all vehicles operated by SMG officers, agents and employees in connection with either Facility, whether owned by SMG, the CAA, or otherwise, with a combined single limit of not less than \$2,000,000.

(c) SMG shall be an insured under all such policies referred to in subsections (a) and (b). The CAA, the County, the City, the DDA and the Building Authority, shall be an additional insureds under the foregoing insurance policies, as their respective interests may appear, and said policies shall contain a provision covering the CAA's and SMG's indemnification liabilities to each other. Except as otherwise approved by the CAA, all such policies must be written by companies licensed to do business in the State.

(d) The original or a certified copy of the above policy, or policies, or certificates evidencing the existence thereof, all in such form as the CAA Administrative Official may reasonably require, shall be delivered to the CAA Administrative Official prior to the commencement of the term of this Agreement. Each such policy or certificate shall contain a valid provision or endorsement stating, "This policy or certificate of insurance will not be canceled or materially changed or altered without first giving 30 days' written notice thereof to the Grand Rapids-Kent County Convention/Arena Authority, 303 Monroe Avenue, N.W., Grand Rapids, Michigan 49503, sent by certified mail, return receipt requested."

(e) A certificate of insurance shall be delivered to the CAA Administrative Official at least 15 days prior to the expiration date of the expiring policy or policies and, upon request, a renewal policy or policies will be delivered following the renewal, except for any policy or policies expiring on the termination date of this Agreement or thereafter. If a certificate of insurance is not available by said date, SMG will provide to the CAA other documentation acceptable to the CAA confirming coverage.

(f) All insurance procured by SMG in accordance with the requirements of this Agreement shall be primary over any insurance carried by the CAA and shall not require contribution by the CAA.

### **Section 8.3. Workers Compensation Insurance.**

SMG shall at all times maintain worker's compensation insurance (including occupational disease hazards) with an authorized insurance company, through the Michigan State Compensation Insurance Fund or through an authorized self-insurance plan approved by the State, insuring its employees at the Facilities in amounts equal to or greater than required under State law.

### **Section 8.4. Fidelity Bond.**

SMG shall provide to the CAA a fidelity bond covering all of SMG's officers, employees and agents under this Agreement in the amount of \$1,000,000 for each loss, to reimburse the CAA for losses experienced due to the dishonest acts of SMG's officers, employees or agents.

### **Section 8.5. Property Insurance.**

(a) SMG shall maintain or cause to be maintained sufficient property damage or loss insurance to cover personal property owned by the CAA, the DDA, the Building Authority, and SMG at each Facility and shall maintain such insurance throughout the term of this Agreement.

(b) If the CAA elects to maintain property insurance covering the premises of the Facilities, the CAA shall cause SMG to be named as an additional insured under all of the CAA's property and hazard insurance policies covering or relating to the Facilities. Nothing in this Agreement is intended to require SMG to maintain property and hazard insurance covering the

premises of either Facility or business interruption insurance for the activities held at either Facility.

(c) The original or a certified copy of the above policy, or policies, referred to in subsection (b), or certificates evidencing the existence thereof, all in such form as SMG may reasonably require, shall be delivered to SMG. Each such policy or certificate shall contain a valid provision or endorsement stating, "This policy will not be canceled or materially changed or altered without first giving 30 days' written notice thereof to SMG, Risk Management Director, 300 Conshohocken State Road, Suite 770, West Conshohocken, PA, 19428, sent by certified mail, return receipt requested."

(d) A renewal policy (or satisfactory evidence of such renewal) shall be delivered to SMG following the renewal, except for any policy expiring on the termination date of this Agreement or thereafter.

#### **Section 8.6. Certain Other Insurance.**

If SMG enters into any agreements during the term of this Agreement with any independent contractors for the provision of services hereunder, SMG shall have the right to require such contractors to name SMG, the CAA, the County, the City, the DDA and the Building Authority as an additional insured under any insurance required by SMG thereunder and to deliver to SMG prior to the performance of such services a certified copy of such policy(ies) or a certificate(s) evidencing the existence thereof, which policy(ies) contains the same type of endorsements and provisions as provided in Section 8.5(c) hereof.

### **ARTICLE IX OWNERSHIP OF ASSETS**

#### **Section 9.1. Ownership.**

The ownership of buildings and real estate, technical and office equipment and facilities, furniture, displays, fixtures, vehicles and similar tangible property located at either of the Facilities shall remain with the CAA. Ownership of, and title to, all intellectual property rights of whatsoever value, held in the name of the CAA, shall remain in the name of the CAA and any intellectual property rights acquired by SMG pursuant to its management of the Facilities shall be placed in the name of the CAA. The ownership of consumable assets, such as office supplies and cleaning materials, purchased with funds of the CAA shall remain with the CAA, but such assets may be utilized and consumed by SMG in the performance of services under this Agreement. The ownership of data processing programs and software owned by the CAA shall remain with the CAA and the ownership of data processing programs and software owned by SMG shall remain with SMG. SMG shall not take or use, for its own purposes, customer or exhibitor lists or similar materials developed by or for the CAA for the use of the Facilities, unless written consent is granted by the CAA Administrative Official. Ownership of equipment, furnishings, materials or fixtures not considered to be real property and other personal property purchased by SMG with funds of the CAA for use at or for either Facility shall vest in the CAA automatically and immediately upon purchase or acquisition. The assets of the CAA as

described herein shall not be pledged, lien, encumbered or otherwise alienated or assigned without the prior approval of the CAA.

## **Section 9.2. CAA Obligations.**

Except as herein otherwise set forth, throughout the term of this Agreement, the CAA will maintain full beneficial use and ownership of, respectively, the Arena and the Convention Center and will pay, keep, observe and perform all payments, terms, covenants, conditions and obligations under any bonds, debentures or other security agreements or contracts relating, respectively, to the Arena and the Convention Center to which the CAA may be bound.

## **ARTICLE X ASSIGNMENT; AFFILIATES**

### **Section 10.1. Assignment.**

Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party hereto without the prior written consent of the other party hereto. The parties acknowledge that the foregoing does not preclude the assignment by SMG of its right to receive its fees hereunder to its lender(s) as collateral security for SMG's obligations under any credit facilities provided to it by such lender(s) provided that such collateral assignment shall not in any event cover SMG's right to manage, promote, maintain or operate the Facilities hereunder.

### **Section 10.2. SMG Affiliates.**

(a) Any contract entered into between SMG and an Affiliate of SMG relating to the Facilities shall be on terms and for prices customarily charged in the industry for comparable goods and services. In addition, SMG may rent either Facility or any part thereof to itself in connection with any event in the promotion of which SMG is involved, so long as such rental is made on rates and terms that comply with the booking policy for such Facility as then in effect. SMG shall notify the CAA in writing, whenever any such transaction with an SMG Affiliate is contemplated.

(b) The CAA acknowledges that SMG manages other public assembly facilities which may, from time to time, be in competition with the Facilities. Subject to subparagraph (ii) below, the management of competing facilities will not, in and of itself, be deemed a conflict of interest or breach of SMG's duties hereunder, *provided, however*, in all instances in which either Facility is in competition with other public assembly facilities managed by SMG for the solicitation of certain events, SMG shall not involve its principal office (currently in West Conshohocken, Pennsylvania) on behalf of any such other facility in an attempt to influence the decision-making process regarding the selection of a site for such events.

(c) During the term hereof, neither SMG nor any SMG Affiliate shall, without the prior written approval of the CAA, render on-site management services to any facility other than the Facilities within a 100 mile radius of the Facilities; provided that notwithstanding such

defined territory, SMG shall be entitled to provide on-site management services to any facility within the Detroit Metropolitan area.

## **ARTICLE XI LAWS AND PERMITS**

### **Section 11.1. Permits, Licenses, Taxes and Liens.**

SMG shall use reasonable efforts to procure any permits and licenses required for the business to be conducted by it hereunder. The CAA shall cooperate with SMG in applying for such permits and licenses. SMG shall upon request deliver copies of all such permits and licenses to the CAA Administrative Official. SMG shall pay promptly from Operating Revenues of the applicable Facility or funds provided by the CAA under this Agreement all taxes, excise and license, permit fees of whatever nature arising from its operation, maintenance, promotion and management of the Facilities (all of such taxes, excise and license and permit fees constitute Operating Expenses of the applicable Facility). SMG shall use reasonable efforts to prevent mechanic's or materialman's or any other lien from becoming attached to the premises or improvements at either of the Facilities or any part or parcel thereof, by reason of any work or labor performed or materials furnished by any mechanic or materialman.

### **Section 11.2. Governmental Compliance.**

SMG, its officers, agents and employees shall comply with all federal, state, local and municipal regulations, ordinances, statutes, rules, laws and constitutional provisions (collectively, "Laws") applicable to SMG's operation, maintenance, management and promotion of the Facilities hereunder. SMG shall take all reasonable and appropriate measures to enforce such Laws against its invitees and licensees at the Facilities.

### **Section 11.3. No Discrimination in Employment.**

SMG agrees not to discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, handicap or marital status. Breach of this covenant may be regarded as a material breach of this Agreement as provided for in Act 453 of the Public Acts of Michigan of 1976, as amended, entitled "Michigan Civil Rights Act." SMG further agrees to review or examine with the CAA Administrative Official upon request relevant employment data and other information pertaining to its hiring practices. SMG further agrees that it will require similar covenants from all sub-contractors under this Agreement.

## **ARTICLE XII TERMINATION**

### **Section 12.1. Termination Upon Default.**

Either party may terminate this Agreement upon a default by the other party hereunder. A party shall be in default hereunder if (i) such party fails to pay any sum payable hereunder within 30 days after same is due and payable, or (ii) such party fails in any material respect to perform or comply with any of the other terms, covenants, agreements or conditions hereof and such failure continues for more than 60 days after written notice thereof from the other party. In the event that a default (other than a default in the payment of money) is not reasonably susceptible to being cured within the 60-day period, the defaulting party shall not be considered in default if it shall within such 60-day period have commenced with due diligence and dispatch to cure such default and thereafter completes with dispatch and due diligence the curing of such default. Any termination pursuant to this Section 12.1 will be effective upon notice from the non-defaulting party following the expiration of all of the applicable aforementioned time periods.

### **Section 12.2. Termination Other than Upon Default.**

(a) SMG shall have the right to terminate this Agreement upon one hundred eighty (180) days written notice to CAA (i) under the circumstances described in Section 5.1(e) hereof, or (ii) if the CAA fails to make Capital Improvements or Capital Equipment purchases at either Facility to the extent that such omission, in SMG's judgment, materially interferes with, impedes or impairs the ability of SMG to manage such Facility effectively.

(b) The CAA shall have the right to terminate this Agreement upon 180 days prior written notice to SMG if the CAA Board by affirmative vote of at least a majority of its members currently serving, determines that it is in the best interest of the CAA to do so. Prior to taking any action to terminate under this provision, the CAA Administrative Official shall provide SMG with a written list of concerns or deficiencies relating to SMG's performance under this Agreement. SMG shall have 45 days to cure such deficiencies or respond to such concerns in writing to the CAA Board. Upon the expiration of such 45-day period, the CAA Board shall have the right to conduct such other hearing into the matter as it, in its sole discretion, deems appropriate. Any action to terminate under this provision shall only be taken at a public meeting to which SMG has been provided at least 10 days prior written notice.

(c) Either party hereto shall have the right to terminate this Agreement under the circumstances specified in Section 13.6(d) hereof.

### **Section 12.3. Effect of Termination.**

In the event this Agreement is terminated, (i) all Operating Expenses for the Facilities incurred or committed for prior to the date of termination shall be paid by SMG out of funds deposited in the Arena Operating Account and the Convention Center Operating Account, respectively; provided that (a) to the extent that the funds on deposit in each such account are

insufficient for the Operating Expenses of the applicable Facility, the CAA shall promptly reimburse SMG therefor and shall indemnify and hold SMG harmless therefrom and (b) to the extent the funds on deposit in each such account exceed the aggregate amount of such Operating Expenses for the applicable Facility, SMG shall deposit such excess into the account designated by the CAA Administrative Official, (ii) the CAA shall promptly pay SMG all fees earned to the date of termination (the base and incentive fees described in Section 4 hereof being subject to proration), provided that in the case of a termination by the CAA pursuant to Section 12.1 hereof, the CAA shall be entitled to offset against such unpaid fees any costs incurred by the CAA in remedying any default by SMG hereunder which resulted in such termination (other than the fees or expenses of any replacement manager for the Facilities), (iii) in the case of a termination pursuant to Section 12.2(b) hereof, the CAA shall, as liquidated damages for such early termination and in addition to the foregoing, promptly pay SMG a termination fee equal to the greater of the remaining balance of SMG's current annual base fee for the Facilities under Section 4.1 hereof in effect for the Fiscal Year during which termination occurs or the amount equal to one-half of such current annual base fee, and (iv) without any further action on the part of SMG or the CAA, the CAA shall, or shall cause another management company retained by it to, accept the assignment of SMG's rights, and assume and perform all of SMG's obligations, arising after the date of expiration or termination of this Agreement, under any licenses, occupancy agreements, rental agreements, booking commitments, advertising agreements, concession agreements, and any other contracts relating to the Facility which have been executed by SMG hereunder, except (A) to the extent that any such license, agreement, commitment or contract was executed by SMG in violation of any of the restrictions applicable to SMG's right to execute such licenses, agreements, commitments or contracts contained in this Agreement and (B) for any such license, agreement, commitment or contract to which the consent of the other party thereto is required for such assignment and assumption unless such consent is obtained (in the case of any such consent, SMG will use commercially reasonable efforts to obtain such consent and the CAA will cooperate in any reasonable manner with SMG to obtain such consent). Upon the expiration of this Agreement or a termination pursuant to Section 12.1, all further obligations of the parties hereunder shall terminate except for the obligations in this Section 12.3 and in Sections 7.2, 8.1, 8.2(c) and 12.5 hereof; *provided, however*, that if such termination is the result of a willful default, the non-defaulting party exercising its right to terminate this Agreement shall be entitled to recover damages for breach arising from such willful default.

#### **Section 12.4. Non-Exclusive Remedies.**

Each party's rights of termination pursuant to this Article XII are in addition to any other rights it may have hereunder or otherwise and the exercise of a right of termination shall not be an election of remedies.

#### **Section 12.5. Surrender of Premises.**

Upon termination of this Agreement (termination shall, for all purposes in this Agreement, include termination pursuant to the terms of this Article XII and any expiration of the term hereof), SMG shall surrender and vacate the Facilities upon the effective date of such termination. Each Facility and all equipment and furnishings shall be returned to the CAA in



good repair, reasonable wear and tear excepted, to the extent funds were made available therefor by the CAA. All reports, records, including financial records, and documents maintained by SMG at each Facility relating to this Agreement shall be immediately surrendered to the CAA by SMG upon termination.

### **ARTICLE XIII MISCELLANEOUS**

#### **Section 13.1. Use of the Facilities at Direction of the County, the City or the CAA.**

(a) The County, the City and the CAA shall have the right to use either Facility or any part thereof, upon reasonable advance notice and subject to availability, for such purposes as meetings, seminars, training classes or other uses without the payment of any rental or use fee except that direct out-of-pocket expenses incurred in connection with such uses shall be paid by the County, the City or the CAA, as the case may be.

(b) The County, the City and the CAA shall not schedule use of either Facility pursuant to subsection (a) above if such use will conflict with paying events booked by SMG and shall in all instances be subordinate thereto in terms of priority of use of either Facility, *provided, however*, that the County, the City and the CAA shall not be subordinate with respect to any competing use which is first scheduled within the 21 day period immediately preceding the scheduled use of the County, the City or the CAA. If either of the Facilities are to be used at the County's, the City's or the CAA's request or by the County, the City or the CAA pursuant to subparagraph (a) above, a normal rent or use fee which otherwise would be chargeable for such event shall be deemed to have been paid, and any such deemed payments which exceed the amount of \$25,000 in any Fiscal Year shall constitute Operating Revenues for the respective Facility for the purpose of calculating SMG's incentive fee pursuant to Section 4.2 hereof.

#### **Section 13.2. Alternative Dispute Resolution.**

(a) The parties desire to cooperate with each other in the management and operation of the Facilities pursuant to the terms hereof. In keeping with the cooperative spirit and intent, any dispute arising hereunder may, with the mutual consent of both parties, be first referred to the parties' respective agents or representatives prior to either party initiating a legal suit, who in such instance will endeavor in good faith to resolve any such disputes within the limits of their authority and within 45 days after the commencement of such discussions. If any dispute remains unresolved after the parties have elected to follow the dispute resolution procedure set forth above, the matter may, at the option of both parties, be resolved pursuant to subsections (b) and (c) below.

(b) If both parties so elect, and such elections are made in written form executed by an officer of each party legally authorized to do so and delivered to the other party in compliance with the notice provisions hereof, (either after exhausting the procedures in subsection (a) above or as an initial means of dispute resolution), the parties will endeavor to settle the dispute by mediation under the then current CPR International Institute for Conflict Prevention and Resolution ("CPR") model procedure for mediation of business disputes or, if such model

procedure no longer exists, some other mutually agreeable procedure. Within 10 business days from the date that the parties mutually elect to proceed with mediation hereunder, the CAA shall select a neutral third party mediator, who shall be subject to the reasonable approval of SMG. Each party will bear its own cost of mediation, *provided, however*, the cost charged by any independent third party mediator will be borne equally by the parties.

(c) The parties agree that any mediation proceeding (as well as any discussion pursuant to subsection (a) above) will constitute settlement negotiations for purposes of the federal and State rules of evidence and will be treated as non-discoverable, confidential and privileged communication by the parties and the mediator. No stenographic, visual or audio record will be made of any mediation proceedings or such discussions. All conduct, statements, promises, offers and opinions made in the course of the mediation or such discussion by any party, its agents, employees, representatives or other invitees and by the mediator will not be discoverable nor admissible for any purposes in any litigation or other proceeding involving the parties and will not be disclosed to any third party.

(d) The parties agree that if the parties mutually elect to proceed with mediation hereunder then this mediation procedure will be obligatory and participation therein legally binding upon each of them. In the event that either party refuses to adhere to the mediation procedure set forth in this Section 13.2, the other party may bring an action to seek enforcement of such obligation in any court of competent jurisdiction.

(e) The parties' efforts to reach a settlement of any dispute will continue until the conclusion of the mediation proceeding. The mediation proceeding will be concluded when: (i) a written settlement agreement is executed by the parties, or (ii) the mediator concluded and informs the parties in writing that further efforts to mediate the dispute would not be useful, or (iii) the parties agree in writing that an impasse has been reached. Notwithstanding the foregoing, either party may withdraw from the mediation proceeding without liability therefor in the event such proceeding continues for more than 45 days from the commencement of such proceeding. For purposes of the preceding sentence, the proceeding will be deemed to have commenced following the completion of the selection of a mediator as provided in subsection (b).

(f) If the parties mutually elect to proceed with the above dispute resolution procedures and any dispute has not been resolved pursuant to those procedures, either party can then initiate litigation and/or terminate the Agreement as provided in Article XII hereof. If the parties mutually elect to proceed with the above disputed resolution procedures, then such procedures shall be the sole and exclusive procedures for the resolution of disputes between the parties arising out of or relating to this Agreement *provided, however*, that a party, without prejudice to the above procedures (if they have been so selected by the parties) may file a complaint to seek a preliminary injunction or other provisional judicial relief, if in its sole discretion such action is necessary to avoid irreparable damage or to preserve the status quo. Despite such action, the parties will continue to participate in good faith in the procedures specific in this Section 13.2, if they have been so selected by the parties.

(g) All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specific in this Section 13.2 are pending. The parties will take such action, if any, required to effectuate such tolling. Each party shall be required to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement, unless to do so would be impossible or impracticable under the circumstances.

### **Section 13.3. No Partnership Joint Venture; Prohibited Relationships.**

(a) It is understood that nothing herein contained is intended or shall be construed in any way to create or establish the relationship of partners or a joint venture between the CAA and SMG. Except as otherwise specifically agreed by the CAA and SMG in writing, none of the officers, agents or employees of SMG shall be or be deemed to be employees of the CAA for any purpose whatsoever.

(b) None of the voting power of the CAA Board is vested in SMG and its directors, officers, partners or employees, and the chief executive officer of SMG is not a member of the CAA Board.

(c) None of the voting power of the management committee of SMG is vested in the CAA, the CAA Board and the CAA's officers and employees, and the chairperson of the CAA is not a member of the management committee of SMG.

(d) SMG and the CAA are not related parties within the meaning of 144(a)(3) of the Internal Revenue Code of 1986, as amended, and are not members of the same controlled group within the meaning of U.S. Treasury Regulations Section 1.150-1(e).

(e) As required by, and limited to, the provisions of, the Michigan Liquor Control Act, Act 8 of the Public Acts of Michigan of 1933, as amended, and the rules promulgated pursuant hereto, and subject to the terms of this Agreement, the CAA shall be responsible for the conduct of Arena and Convention Center operations and the activities of SMG and its employees.

### **Section 13.4. Entire Agreement.**

This Agreement, together with the Exhibit A attached hereto, contains the entire agreement among the parties with respect to the subject matter hereof. In addition, this Agreement shall supersede all prior agreements and understandings with respect to the subject matter hereof.

### **Section 13.5. Written Amendments.**

This Agreement shall not be altered, modified or amended in whole or in part, except in a writing executed by both of the parties hereto.

### **Section 13.6. Force Majeure.**

(a) Neither party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligations hereunder due to causes or conditions beyond its control. In the event of strikes, boycotts, picketing, slowdowns, work stoppages or labor disputes of any other type affecting either Facility, SMG shall not thereby be deemed to be in default or to have breached any part of this Agreement unless such event shall have been caused solely by unfair labor practices of SMG or violations by SMG of applicable collective bargaining agreements.

(b) No party hereto shall be under any obligation to supply any service or services if and to the extent and during any period that the supplying of any such service or services or the provision of any component necessary therefor shall be prohibited or rationed by any federal, State, municipal law, rule, regulation, order or directive.

(c) Except as otherwise expressly provided in this Agreement, no abatement, diminution or reduction of the payments payable to SMG shall be claimed by the CAA or charged against SMG, nor shall SMG be entitled to additional payments beyond those provided for in this Agreement for any inconvenience, interruption, cessation, or loss of business or other loss caused, directly or indirectly, by any present or future laws, rules, requirements, orders, directives, ordinances or regulations of the United States, or of the State, or the CAA or of any other lawful authority whosoever, or by priorities, rationing, or curtailment of labor or materials, or by war or any matter or thing.

(d) In the event of damage to or destruction of either Facility by reason of fire, storm or other casualty or occurrence of any nature or any regulatory action or requirements that, in either case, is expected to render either Facility materially untenable, notwithstanding the reasonable efforts of the CAA to remedy such situation, for a period estimated by an architect mutually selected by the CAA and SMG of at least 180 days from the happening of the fire, other casualty or any other such event, the CAA on the one hand, or SMG, on the other hand, may terminate this Agreement upon written notice to the other. In the event that either Facility becomes either wholly or partially untenable as a result of any of the foregoing, appropriate adjustments to the Net Operating Income/Incentive and Revenue Benchmarks shall be made.

(e) SMG may suspend performance required under this Agreement with respect to either Facility, without any further liability, in the event of any act of God or other occurrence, which act or occurrence is of such effect and duration as to effectively curtail the use of the affected Facility so as to effect a substantial reduction in the need for the services provided by SMG for a period in excess of 90 days; *provided, however*, that for the purposes of this subsection (e), SMG shall have the right to suspend performance retroactively effective as of the date of the use of the affected Facility was effectively curtailed. "Substantial reduction in the need for the services provided by SMG" shall mean such a reduction as shall make the provision of any services by SMG economically impractical. No payments of the management fees otherwise due and payable to SMG shall be made by the CAA during the period of suspension with respect to the affected Facility. In lieu thereof, the CAA's Administrative Official and SMG may agree to a reduced management fee payment for the period of reduction in services.

**Section 13.7. Binding Upon Successors and Assigns, No Third-Party Beneficiaries.**

(a) This Agreement and the rights and obligations set forth herein shall inure to the benefit of, and be binding upon, the parties hereto and each of their respective successors and permitted assigns.

(b) This Agreement shall not be construed as giving any person, other than the parties hereto and their successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any of the provisions herein contained, this Agreement and all provisions and conditions hereof being intended to be, and being, for the sole and exclusive benefit of such parties and their successors and permitted assigns and for the benefit of no other person or entity.

**Section 13.8. Notices.**

All notices or other communications permitted or required under this Agreement shall be in writing and shall be sufficiently given if and when hand delivered to the persons set forth below or if sent by documented overnight delivery service or registered or certified mail, postage prepaid, return receipt requested, or by telegram, telex or telecopy, receipt acknowledged, addressed as set forth below or to such other person or persons and/or at such other address or addresses as shall be furnished in writing by either party hereto to the other. Any such notice or communication shall be deemed to have been given as of the date received, in the case of personal delivery, or on the date shown on the receipt or confirmation therefor in all other cases.

To the CAA:

Grand Rapids-Kent County  
Convention/Arena Authority  
303 Monroe Avenue, N.W.  
Grand Rapids, MI 49503  
Attention: Chairperson

With a copy to:

Richard A. Wendt, Esquire  
Dickinson Wright PLLC  
200 Ottawa Avenue, N.W.  
Suite 1000  
Grand Rapids, MI 49503

To SMG:

SMG  
300 Conshohocken State Road, Suite 770  
West Conshohocken, PA 19428  
Attention: President

With a copy to:

William R. Sasso, Esquire or  
Steven A. Scolari, Esquire  
Stradley, Ronon, Stevens & Young, LLP  
2600 One Commerce Square  
Philadelphia, PA 19103-7098

**Section 13.9. Section Headings and Defined Terms.**

The section headings contained herein are for reference purposes only and shall not in any way affect the meaning and interpretation of this Agreement. The terms defined herein and in any agreement executed in connection herewith include the plural as well as the singular and the singular as well as the plural, and the use of masculine pronouns shall include the feminine and neuter. Except as otherwise indicated, all agreements defined herein refer to the same as from time to time amended or supplemented or the terms thereof waived or modified in accordance herewith and therewith.

**Section 13.10. Counterparts.**

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and either party may become a party hereto by executing a counterpart hereof, but all of such counterparts together shall be deemed to be one and the same instrument. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

**Section 13.11. Severability.**

The invalidity or unenforceability of any particular provision, or part of any provision, of this Agreement shall not affect the other provisions or parts hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted.

**Section 13.12. Non-Waiver.**

A failure by either party to take any action with respect to any default or violation by the other of any of the terms, covenants, or conditions of this Agreement shall not in any respect limit, prejudice, diminish or constitute a waiver of any rights of such party to act with respect to any prior, contemporaneous or subsequent violation or default or with respect to any continuation or repetition of the original violation or default.

**Section 13.13. Approvals.**

The CAA and SMG each represent and warrant to the other that all required approvals have been obtained, and that each has full legal right, power and authority to enter into and perform its obligations hereunder.

#### **Section 13.14. Michigan Law to Apply.**

This Agreement shall be construed in accordance with the laws of the State and any action brought in law or equity arising out of its construction or enforcement shall be filed in the Circuit Court for the 17th Judicial District of Michigan (Kent County Circuit Court) or in the United States District Court for the Western District of Michigan, Southern Division.

#### **Section 13.15. Certain Other Representations of the CAA.**

The CAA hereby represents and warrants to SMG that it has full legal right, power and authority to enter into this Agreement and to perform its obligations hereunder and that its obligations hereunder are not subject to appropriations, budgeting or any other funding contingency.

#### **Section 13.16. Host Neighborhood Provisions.**

(a) For purposes of this Section 13.17, the "Host Neighborhood" means the following areas in the City which are bounded by: (i) U.S. 131 on the west, Michigan Street on the north, Franklin Street on the south, and College Avenue on the east (the "Primary Area") and (ii) Lexington Avenue on the west, Leonard Street on the north, Hall Street on the south, and College Avenue on the east (the "Secondary Area"). With respect to subsection (b) hereof, SMG's efforts thereunder shall be focused on the Primary Area; however, if SMG is unable to meet the employment goals under subsection (b) from the Primary Area, SMG shall be entitled to expand such efforts to include the Secondary Area.

(b) SMG agrees that it will engage in every reasonable good faith effort to recruit, employ and retain residents of the Host Neighborhood for employment at each Facility. Such good faith efforts will include, but not be limited to:

(i) Utilizing appropriate Host Neighborhood and other applicable human service agencies to identify employment opportunities, candidates and training opportunities for Host Neighborhood residents.

(ii) Establishing a goal of not less than 10% of all permanent and part-time jobs at the Facilities for Host Neighborhood residents.

Upon the request of the CAA, SMG agrees to report to the CAA on its compliance efforts with the terms of this Section 13.17 and to share with the CAA such information and data as will enable the CAA to review SMG's reasonable good faith efforts hereunder. Nothing contained in this Section 13.16 shall require SMG to take, or omit to take, any action which is in violation of any applicable law, regulation or court order.

**IN WITNESS WHEREOF**, this Agreement has been duly executed by the parties hereto as of the day and year first written above.

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

By: \_\_\_\_\_  
Steven R. Heacock  
Chairperson

**SMG**

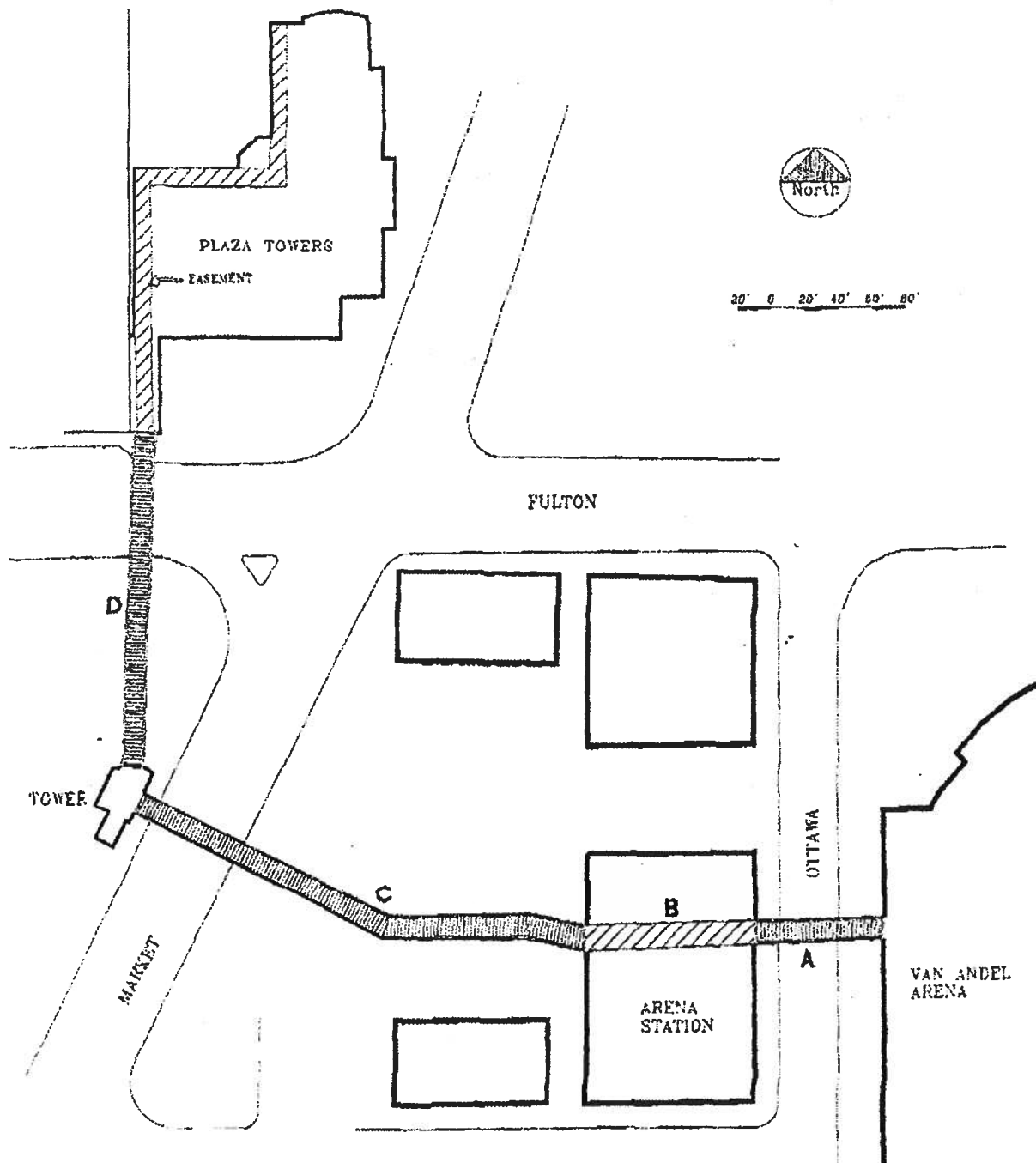
By: \_\_\_\_\_  
Name:  
Title:



**EXHIBIT A**  
**PEDESTRIAN WALKWAY**

EXHIBIT A

OTTAWA/MARKET/FULTON  
PEDESTRIAN WALKWAY -  
SECTION A, B, C, D AND TOWER



A-1

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

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION  
OF A FOOD AND BEVERAGE SERVICES AGREEMENT WITH SMG  
FOOD AND BEVERAGE, LLC FOR THE VAN ANDEL ARENA®**

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

**WHEREAS**, the current Food and Beverage Services Agreement, as amended, between the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), and SMG Food and Beverage, LLC dated as of July 1, 2006, terminates on June 30, 2011; and

**WHEREAS**, the CAA and SMG have negotiated a new Food and Beverage Services Agreement to be dated and effective July 1, 2011 (the "F&B Agreement"); and

**WHEREAS**, the CAA Board desires to approve and authorize the execution of the F&B Agreement substantially in the form presented at this meeting.

**RESOLVED:**

1. That the F&B Agreement substantially in the form presented at this meeting is hereby approved with such modifications not materially adverse to the CAA approved as to content by the CAA Chairman and as to form by the CAA's legal counsel and the Chairman is authorized and directed to execute the approved F&B Agreement for and on behalf of the CAA.

2. That all resolutions and 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 \_\_\_\_\_

Dated: May 6, 2011

\_\_\_\_\_  
Susan 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 on May 6, 2011, 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: May 6, 2011

\_\_\_\_\_  
Susan Waddell  
Administrative Manager/Recording Secretary

**COMPARISON OF KEY PROVISIONS OF EXISTING AND  
NEW FOOD AND BEVERAGE SERVICES AGREEMENTS  
BETWEEN THE CAA AND SMGFB**

<b>Provision</b>	<b>Existing Agreement</b>	<b>New Agreement</b>
Term	Initial 3-year term with one 2-year renewal at option of CAA to June 30, 2011	Initial 3-year term to June 30, 2014, with two 2-year options of CAA to June 30, 2018
Scope of Services	Manage, operate and oversee all food and beverage services including sale of alcoholic beverages	Same
Capital Contribution	\$50,000 towards amphitheater feasibility study	\$250,000 towards costs related to addition and new point-of-sales system amortized over 5 years
Compensation	53% of concessions gross revenues 19.5% of catering and suite services gross revenues 30% of sports bar gross revenues	Same
Menus and Pricing	Existing menu and pricing remain in effect for one year, thereafter any change submitted to CAA for review, comment and approval	Same
Performance Bond	\$100,000 performance bond required	Eliminate performance bond requirement

---

**FOOD AND BEVERAGE SERVICES AGREEMENT**

**between the**

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

**and**

**SMG FOOD AND BEVERAGE, LLC**

**Dated as of July 1, 2011**

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## **FOOD AND BEVERAGE SERVICES AGREEMENT**

**THIS FOOD AND BEVERAGE SERVICES AGREEMENT** (the "Agreement") is dated as of July 1, 2011, between the **GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY**, a Michigan authority created pursuant to Act 203 of the Public Acts of Michigan of 1999 (the "CAA"), whose current address is 303 Monroe Avenue, N.W., Grand Rapids, Michigan 49503, and **SMG FOOD AND BEVERAGE, LLC**, a Delaware limited liability company ("SMGFB"), whose current address is 300 Conshohocken State Road, Suite 770, West Conshohocken, Pennsylvania 19428.

### **RECITALS**

A. The CAA has leased the Van Andel Arena (the "Arena") located at 130 West Fulton Street in the City of Grand Rapids, Kent County, Michigan, from the Downtown Development Authority of the City of Grand Rapids (the "DDA") which lease will remain in effect until the outstanding tax-exempt bonds of the DDA used in part to finance the Arena have been paid in full or defeased at which time the CAA will become the owner of the Arena.

B. During the term of the lease with the DDA and thereafter, the CAA is responsible for operating the Arena.

C. SMGFB is engaged in the business of providing food and beverage services for public assembly facilities such as the Arena.

D. The CAA and SMGFB are currently parties to a Food and Beverage Services Agreement dated as of July 1, 2006, as amended by a First Addendum to Food and Beverages dated as of January 24, 2007 (the "2006 F&B Agreement"), pursuant to which SMGFB is currently providing food and beverage services at the Arena. The term of the 2006 F&B Agreement ends June 30, 2011.

E. The CAA and SMGFB desire to enter into a new agreement for the provision of food and beverage services at the Arena to be effective July 1, 2011.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants and agreements herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

#### **Section 1. Definitions.**

For purposes of this Agreement, the following terms have the following meanings:

"Arena" shall have the meaning set forth in the Recitals of this Agreement.

"CAA" shall have the meaning set forth in the introductory paragraph of this Agreement.

“CAA Administrative Official” means the administrative official of the CAA as from time to time appointed by the CAA Board or such person as may from time to time be authorized in writing by such CAA Administrative Official to act for him/her with respect to any or all matters pertaining to this Agreement. If there shall be no CAA Administrative Official appointed and serving, the Chairperson of the CAA Board shall be deemed to be the CAA Administrative Official.

“CAA Board” means the Board of Directors of the CAA, its governing body.

“City” means the City of Grand Rapids, Michigan.

“County” means Kent County, Michigan.

“DDA” shall have the meaning set forth in the Recitals of this Agreement.

“First Renewal Term” means, subject to Section 2(b) hereof, the 2-year period from July 1, 2014, to June 30, 2016, for which this Agreement may be renewed (beyond the Initial Term) at the option of the CAA Board in accordance with Section 2 hereof.

"Gross Revenue" means all revenue generated in connection with the Services (including, without limitation, all income, fees and rental and services charges whether charged by SMGFB or any subcontractor), as calculated in accordance with generally accepted accounting principles, consistently applied, less (i) all applicable sales, use, and excise taxes thereon, (ii) gratuities and service charges, (iii) revenue generated by the subcontractors of SMGFB which such subcontractors retain after paying all commissions due to SMGFB, and (iv) cash shortages not to exceed 1/2 of 1.00%. Credit card fees and bad debts shall not be deducted from Gross Revenue.

“Initial Term” means, subject to Section 2(a) hereof, the 3-year period commencing on July 1, 2011, and ending on June 30, 2014.

“Investment” shall have the meaning set forth in Section 6 hereof.

"Laws" shall have the meaning set forth in Section 13 hereof.

"Losses" shall have the meaning set forth in Section 13 hereof.

"Policies" shall have the meaning set forth in Section 13 hereof.

“SMGFB” shall have the meaning set forth in the introductory paragraph of this Agreement.

“Second Renewal Term” means, subject to Section 2(b) hereof, the 2-year period from July 1, 2016, to June 30, 2018, for which this Agreement may be renewed (beyond the First Renewal Term) at the option of the CAA Board in accordance with Section 2 hereof.

"Services" shall have the meaning set forth in Section 3 hereof.



"State" means the State of Michigan.

**Section 2. Term.**

(a) The Initial Term of this Agreement shall commence at 12:01 a.m. on July 1, 2011, and will end at midnight on June 30, 2014, unless (i) earlier terminated pursuant to the provisions of this Agreement, or (ii) renewed for the First Renewal Term as provided in subsection (b) below.

(b) The CAA Board, in its sole discretion, may extend the term of this Agreement for (i) the First Renewal Term upon not less than 180 days' written notice to SMGFB prior to the end of the Initial Term, i.e., June 30, 2014, unless otherwise terminated pursuant to the provisions of this Agreement, to commence on July 1, 2014, at 12:01 a.m. and end at midnight on June 30, 2016, unless earlier terminated pursuant to the provisions of this Agreement, and (ii) thereafter for the Second Renewal Term, upon not less than 180 days' written notice to SMGFB prior to the end of the First Renewal Term, i.e., June 30, 2016, unless otherwise terminated pursuant to the provisions of this Agreement, to commence on July 1, 2016, at 12:01 a.m. and end at midnight on June 30, 2018, unless earlier terminated pursuant to the provisions of this Agreement.

**Section 3. Engagement and Scope of Services.**

The CAA hereby grants to SMGFB the sole and exclusive right to manage, operate, and oversee the food and beverage services at the Arena (including, without limitation, concession and catering services) by selling food and alcoholic and non-alcoholic beverages to the extent permitted under all applicable laws. The provision of such services shall be defined and referred to in this Agreement as the "Services." SMGFB shall provide the Services in accordance with the provisions of this Agreement.

**Section 4. Representations, Warranties, and Covenants of the CAA.**

The CAA hereby represents, warrants and covenants to SMGFB that as of the date hereof and continuing throughout the term of this Agreement:

(a) No agreement or understanding between the CAA and any person or entity shall reserve or grant to such person or entity the rights granted to SMGFB hereunder.

(b) The CAA has been duly authorized to, and may validly enter into, this Agreement. The person executing this Agreement on behalf of the CAA is duly authorized to do so.

(c) The execution and delivery of this Agreement by the CAA will not cause the CAA to breach or be in default under any material agreement to which the CAA is a party or may be bound thereby. The CAA is not in default under any agreements or understandings pertaining to its right to use, or occupy the Arena.

(d) As of the date hereof, the CAA has received no notice(s), whether oral or written, of any default(s) under any lease, financing or other agreement pertaining to the Arena or the CAA's use or occupancy thereof.

(e) No consents or approvals are necessary under any agreement to which the CAA may be a party or be bound thereby in connection with the execution and delivery of this Agreement by the CAA.

#### **Section 5. Representations, Warranties and Covenants of SMGFB.**

SMGFB hereby represents, warrants and covenants to the CAA that as of the date hereof and continuing throughout the term of this Agreement:

(a) SMGFB has been duly authorized to enter and may validly enter into this Agreement with the CAA. The person executing this Agreement on behalf of SMGFB is duly authorized to do so.

(b) The execution and delivery of this Agreement by SMGFB shall not cause SMGFB to breach or be in default under any material agreement to which SMGFB is a party or may be bound thereby.

(c) No consents or approvals are necessary under any agreement to which SMGFB may be a party or may be bound thereby in connection with the execution and delivery of this Agreement by SMGFB.

#### **Section 6. SMGFB Investment.**

SMGFB shall pay to the CAA \$250,000 (the "Investment") within thirty (30) days of the execution and delivery of this Agreement by the parties hereto as a contribution toward the cost incurred to add an addition to the northwest corner of the Arena including related furniture, fixtures and equipment and a new point of sales system related to the food and beverage operations at the Arena the specifications of which have previously been agreed to by the CAA and SMGFB. The Investment shall be amortized over a 5-year period commencing on July 1, 2011, on a straight line non-interest bearing basis. In the event of the early termination of this Agreement for any reason or if the CAA shall elect not to extend the term of this Agreement for the First Renewal Term, the CAA shall pay to SMGFB the unamortized amount of the Investment existing as of such termination or failure to extend date. The payment of any such unamortized amount shall be made to SMGFB within 60 days after such date.

#### **Section 7. Compensation.**

(a) Except to the extent set forth in Section 6(b) below, SMGFB shall be entitled to retain all revenue generated from its provision of the Services.

(b) In consideration of the grant to SMGFB of the right to provide the Services as set forth in this Agreement, SMGFB shall pay to the CAA, on a monthly basis, commissions on Gross Revenue received by SMGFB in connection with providing the Services in accordance

with Exhibit A attached hereto and made a part hereof. The commissions hereunder are based upon the category of Gross Revenue described in Exhibit A which are applicable to the particular Services. The commissions due for any calendar month shall be paid to the CAA not later than 15 days following the end of such calendar month.

#### **Section 8. Reporting Obligations.**

Within 15 days following the end of each calendar month during the term of this Agreement, SMGFB shall provide the CAA Administrative Official with a statement of Gross Revenue for such calendar month including the exclusions from Gross Revenues, which statement is in a form reasonably acceptable to the CAA's Administrative Official.

#### **Section 9. Employees.**

(a) SMGFB shall select, train and employ at the Arena such number of employees as SMGFB deems necessary or appropriate to satisfy its responsibilities hereunder. All SMGFB employees involved in the sale, service, and distribution of alcoholic beverages shall be trained by SMGFB in effective alcohol awareness, which includes training based on any applicable laws of the State. The CAA shall have review and approval rights over SMGFB training, including, without limitation, frequency, content and evaluation of the effectiveness of such training.

(b) SMGFB shall employ a Food and Beverage Director (the "FBD") to oversee the Services, which FBD at the time of selection shall be subject to interview and approval by the CAA. Such approval shall not be unreasonably withheld or delayed. The FBD shall report to the CAA Administrative Official or his/her designee.

(c) During the term of this Agreement, SMGFB shall permanently locate one of its regional managers (the "FB Regional Manager") at the Arena in order to provide additional management oversight and assistance with the design and implementation of Arena capital projects related to the provision of food and beverage services. The parties acknowledge that the FBD and the FB Regional Manager may be the same person and, that as of the commencement of this Agreement, one person satisfies both positions.

(d) At the request of the CAA Administrative Official, SMGFB shall promptly remove any SMGFB employee working at the Arena, including the FBD, provided that such removal is done in compliance with all applicable laws and rules and regulations.

#### **Section 10. No Discrimination in Employment.**

SMGFB agrees not to discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, handicap or marital status. Breach of this covenant may be regarded as a material breach of this Agreement as provided for in Act 453 of the Public Acts of Michigan of 1976, as amended, entitled "Michigan Civil Rights Act." SMGFB further agrees to review or examine with the CAA Administrative Official upon

request relevant employment data and other information pertaining to its hiring practices. SMGFB further agrees that it will require similar covenants from all sub-contractors under this Agreement.

## **Section 11. SMGFB'S Operational Responsibilities.**

(a) Periods of Operations. SMGFB shall provide the Services at such times as shall be reasonably necessary to serve guests of the Arena as requested by the CAA.

(b) Quality. All food and beverage items offered for sale by SMGFB shall be of high quality. SMGFB shall not offer for sale any food or beverage items which are spoiled, of poor quality, or otherwise unfit for consumption and any such items shall immediately be removed by SMGFB from any food preparation or service area. SMGFB shall maintain a level of service which will provide an effective and convenient operation of food and beverage service. All food, drinks, beverages, confections and other items sold or kept for sale at the concession locations at the Arena will conform in all respects to applicable federal, State and local regulations.

(c) Notice of Health Code Violations. SMGFB will provide the CAA Administrative Official, immediately upon SMGFB's receipt, copies of any reports, citations or notices from the local health department, as well as copies of any SMGFB field inspection reports in response thereto. SMGFB shall promptly correct any such violations and pay any applicable fines, the cost of which shall not be deducted from Gross Revenue.

(d) Cleaning. SMGFB shall maintain all food service equipment in a clean and sanitary condition.

(e) Operating expenses. Except as otherwise set forth as an obligation of the CAA in this Agreement, SMGFB shall be responsible for all operating expenses relating to the provision of the Services hereunder.

(f) Guidelines. SMGFB shall adhere to its banquet server guidelines, suite service guidelines and concession point of service ratio guidelines, copies of which are on file at the Arena general offices and available for review upon request by the CAA Board, CAA Administrative Official and any employees or agents of the CAA, its board members, employees and agents.

(g) Menus and Pricing. All existing menu items and prices relating to food and beverage services shall remain in place for a period of 1 year from the beginning of the Initial Term of this Agreement, unless otherwise approved by the CAA. Thereafter, any changes to menu items or pricing shall be submitted to the CAA Administrative Official in advance of the proposed effective date of change for review, comment and approval. If requested by the CAA, it shall have final approval over all products, portions and source of supply.

(h) Sponsors. SMGFB shall use, in its provision of the Services, the products of sponsors at the Arena as identified to SMGFB from time to time by the CAA; *provided*, such products are of comparable price and quality to those which SMGFB would otherwise use.

Notwithstanding anything to the contrary contained herein, the parties hereto acknowledge and agree that in the event that SMGFB is required to pay a franchise or royalty fee to any such sponsor, the amount of such fee shall be deducted from the commissions that SMGFB would otherwise be required to pay the CAA pursuant to Section 7(b) hereof.

(i) Off-Premises Food and Beverage Services. Without the prior approval of the CAA, SMGFB shall not use the Arena to provide food and beverage services at any off-premises location not under the control of the CAA.

## **Section 12. Responsibilities of the CAA.**

(a) Space; Access; Use of Arena. The CAA shall provide adequate space within the Arena for the performance of the Services and shall permit SMGFB and its employees and agents access to the Arena in order to provide the Services. The CAA shall also make available to SMGFB and its employees and agents such common areas, fixtures, equipment and storage facilities within the Arena necessary for SMGFB to provide the Services as contemplated herein. Further, the CAA shall provide office space at the Arena or another CAA facility for the FB Regional Manager.

(b) Utilities. The CAA shall provide without charge to SMGFB all utilities necessary for the provision of the Services, including without limitation heating, water, cooling, ventilation, air conditioning, general lighting and electricity for all areas used by SMGFB in providing the Services. In addition, the CAA shall provide to SMGFB at no charge all utility connections and hookups to permanent and portable locations, subject to the limits of the Arena's existing utility capacity.

(c) Removal of Trash and Garbage. The CAA shall establish a central location to which SMGFB shall deliver all trash and garbage produced by the Services. The CAA shall, at its sole expense, regularly remove all trash and garbage placed by SMGFB at such location.

(d) Repairs and Maintenance. The CAA shall timely make and pay for all maintenance of, and repairs to, all improvements, utilities systems, equipment, fixtures and structural areas within the Arena where SMGFB provides Services. The CAA shall establish a reasonable annual repair and maintenance fund for such obligation.

(e) Capital Investment. The CAA shall, during the term of this Agreement, make capital improvement purchases designed to improve the food service operation at the Arena as SMGFB and the CAA shall mutually agree.

## **Section 13. Insurance; Indemnification; Performance Bond.**

(a) Coverage. SMGFB shall obtain and maintain the following minimum insurance coverages (collectively, the "Policies") during the term of this Agreement, which Policies will be written with insurers licensed to do business in the State:

(i) Commercial general liability insurance (including premises operations liability inclusive of broad form contractual liability, bodily injury, and property damage, personal injury, products and completed operations, independent contractors, medical payments and liquor liability), with policy limits of \$3,000,000 for bodily injury and \$2,000,000 for property damage, or in a combined single limit of \$5,000,000 for each occurrence and in the annual aggregate.

(ii) Workers' compensation insurance (including employer's liability and occupational disease hazards) as required by applicable State law.

(iii) Comprehensive automobile liability insurance, including owned, non-owned, and hired and leased vehicles with combined single limit of not less than \$2,000,000 for each occurrence and in the annual aggregate.

(iv) Property damage or loss insurance to cover personal property owned by SMGFB in connection with the provision of services pursuant to this Agreement in such coverage amounts and terms as shall be determined solely by SMGFB.

(v) The insurance required by the Michigan Liquor Control Act, Act 8 of the Public Acts of Michigan of 1933, as amended, and the regulations promulgated pursuant thereto.

(vi) Umbrella insurance in the amount of \$10,000,000 over the coverage amounts identified in (i), (ii) and (iii) above with umbrella coverage for worker's compensation insurance limited to the employer's liability portion.

(b) Policies/Certificates of Insurance.

(i) SMGFB shall be the named insured under all of the Policies, and the CAA, the City of Grand Rapids (the "City"), Kent County (the "County") and the DDA shall be an additional insured under the Policies, as their respective interests may appear, except the property damage policy described in Section 13(a)(iv) above.

(ii) The original or a certified copy of the Policies or certificates evidencing the existence thereof, all in such form as the CAA Administrative Official may reasonably require, shall be delivered to the CAA Administrative Official prior to the commencement of the term of this Agreement. Each such policy or certificate shall contain a valid provision or endorsement stating, "This policy or certificate of insurance will not be canceled or materially changed or altered without first giving 30 days' written notice thereof to the Grand Rapids-Kent County Convention/Arena Authority, 303 Monroe Avenue, N.W., Grand Rapids, Michigan 49503, sent by certified mail, return receipt requested."

(iii) A certificate of insurance shall be delivered to the CAA Administrative Official at least 15 days prior to the expiration date of an expiring policy or policies and, upon request, a renewal policy or policies will be delivered following the renewal, except for any policy or policies expiring on the termination date of this Agreement or thereafter.

If a certificate of insurance is not available by said date, SMGFB will provide the CAA other documentation acceptable to the CAA confirming coverage.

(iv) All insurance provided by SMGFB in accordance with the requirements of this Agreement shall be primary over any insurance carried by the CAA and shall not require contribution by the CAA.

(v) If SMGFB enters into any agreements during the term of this Agreement with any independent contractors for the provision of Services hereunder, SMGFB shall have the right to require such contractors to name SMGFB, the CAA, the County, the City and the DDA as an additional insured under any insurance required by SMGFB thereunder and to deliver to SMGFB prior to the performance of such Services a certified copy of such policy(ies) or a certificate(s) evidencing the existence thereof, which policy(ies) contains the same type of endorsements and provisions as provided above in this Section 13(b).

(c) Waiver of Rights of Recovery. The CAA hereby waives any and all rights of recovery it may hereafter have against SMGFB for any injuries or losses sustained by, or damages caused to, the CAA, its employees, property, or the property of others under the CAA's control, to the extent that such loss or damage is covered under the terms of the Policies.

(d) Indemnification.

(i) The CAA shall indemnify, defend, and hold harmless SMGFB, its members, officers, agents, and employees (the "SMGFB Indemnified Persons") from and against any and all losses, liabilities, claims, damages and expenses (including reasonable attorneys' fees) (collectively, the "Losses") arising from (A) any material default or breach by the CAA of its obligations specified herein; *provided, however*, that the foregoing indemnification shall not extend to Losses to the extent such Losses arise from any default or breach by SMGFB of its obligations specified herein, (B) the fact that at any time prior to, as of, or after the commencement of the term hereof the Arena has not been operated, or the Arena, and its premises are not or have not been, in compliance with all applicable federal, State and local laws, regulations and ordinances (collectively, the "Laws"), including, but not limited to, the Americans with Disabilities Act, 42 U.S.C. Sections 12101-12213 as amended by the Civil Rights Act of 1991 (42 U.S.C. Section 1981(a)), as it now exists and as it may be amended in the future by statute or judicial interpretation, (C) the fact that prior to, as of, or after the commencement of the term hereof there is any condition on, above, beneath or arising from the premises occupied by the Arena which might, under any law, give rise to liability or which would or may require any "response," "removal" or "remedial action" (as such terms are defined under the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act), (D) any structural defect or unsound operating condition with respect to the Arena or the premises occupied by the Arena prior to, as of, or after the commencement of the term hereof, or (E) personal or bodily injury to or death of person or damage to the property of SMGFB to the extent caused by the negligent acts, errors, and/or omissions or willful misconduct of the CAA or its officers, agents, or employees, *provided, however*, that the foregoing indemnification shall not extend to losses to the extent such losses arise from any negligent act or omission or willful misconduct of SMGFB or its members, officers, employees or agents. Notwithstanding the foregoing, the

indemnification obligations specified in this Section 13(d)(i) shall not extend to Losses caused by the negligent acts, errors and/or omissions or willful misconduct of SMG in the performance of its duties and obligations under that certain Management Agreement between SMG and the CAA dated as of July 1, 2011. SMGFB Indemnified Persons shall be required to exhaust all available insurance coverage for the Arena prior to asserting a claim against the CAA pursuant to this subsection (d)(i).

(ii) SMGFB shall indemnify, defend and hold harmless the CAA and its officers, boardmembers, agents and employees (the "CAA Indemnified Persons") from and against any and all Losses arising from (A) any negligent act or omission or willful misconduct of SMGFB or its members, officers, employees or agents, or (B) any act that exceeds SMGFB's authority under this Agreement or is not otherwise authorized by this Agreement, *provided, however*, that the foregoing indemnification shall not extend to Losses to the extent such Losses (x) arise from any breach or default by the CAA of its obligations under subsection (d)(i) above, (y) are of the type that are or would normally be covered by commercial insurance covering the premises at the Arena or (z) arise from violations of the Michigan Liquor Control Act, Act 8 of the Public Acts of Michigan of 1933, as amended, and the regulations promulgated thereto to the extent such Act 8 and regulations prohibit such indemnification. The CAA Indemnified Persons shall be required to exhaust all available insurance coverage for the Arena prior to asserting any claim against SMGFB pursuant to this subsection (d)(ii).

(iii) The provisions set forth in subsections (d)(i) and (d)(ii) above shall survive termination of this Agreement, *provided, however*, that except for indemnification based upon subsection (d)(i)(B), (C) and (D) above, a claim for indemnification pursuant to this Section 13 shall be valid only if the party entitled to indemnification provides written notice thereof to the other party prior to 3 years following the date of termination of this Agreement.

(e) Waiver of Subrogation. The terms of all insurance policies referred to in this Section 13 shall preclude subrogation claims against SMGFB, the CAA, the City, the County and the DDA and their respective members, boardmembers, officers, employees or agents.

#### **Section 14. Licenses, Permits and Taxes.**

During the term of this Agreement, SMGFB shall maintain a liquor license and all other licenses or permits required by law in order to provide the Services. SMGFB shall pay all federal, State and local license and permit fees and collect, withhold, remit, and/or pay for all sales, use and excise taxes and any other taxes relating to the provision of the Services.

#### **Section 15. Laws and Regulations.**

Except as otherwise provided in this Agreement, SMGFB shall observe and comply with all applicable laws (including without limitation, the requirements of Title I of the Americans With Disabilities Act); *provided, however*, that, notwithstanding anything to the contrary contained herein, all structural modifications to the Arena, or any part thereof, required by any applicable laws, including without limitation federal or State occupational safety and health laws,



Titles II or III of the Americans With Disabilities Act, and building construction codes, shall be made by the CAA, and such modifications shall not be made at SMGFB's expense or liability.

#### **Section 16. Independent Contractor.**

SMGFB and the CAA are and each shall be deemed an independent contractor with respect to this Agreement. Neither SMGFB nor the CAA is in any respect acting, nor shall either of them act, nor shall any person connected with either of them represent itself as an agent or employee of the other.

#### **Section 17. Casualty Loss .**

In the event the Arena or any part thereof is partially destroyed by fire or other casualty and such partial destruction materially affects the ability of SMGFB to provide the Services, the CAA shall use its best efforts to restore or cause to be restored such damaged portions thereof, such that the Services may be resumed as promptly as possible. If complete operation of the Arena must be suspended due to fire or other casualty and full operation is not resumed within 90 days from the date of such suspension, either party shall have the right to terminate this Agreement by providing the other with 60 days' prior written notice of its intention to do so. In the event that this Agreement is not terminated as provided under this Section 17, the term of this Agreement shall be extended by the period of time in which SMGFB's Services hereunder were affected by such casualty.

#### **Section 18. Force Majeure.**

Neither party shall be obligated to perform hereunder and neither party shall be deemed to be in default if its performance is prevented by (a) fire, tornado, windstorm, earthquake, flood, act of God, riot, civil commotion, or other occurrence or condition of a like nature; or (b) any law of any public or military authority stemming from the existence of economic controls, riot, hostilities, war or governmental policy.

#### **Section 19. Termination.**

(a) Termination Upon Default. In addition to any other provision herein which confers a right of termination on the CAA or SMGFB, either party may terminate this Agreement upon a default by the other party hereunder. A party shall be in default hereunder if (i) such party fails to pay any sum payable hereunder within 3 days after same is due and payable, or (ii) such party fails in any material respect to perform or comply with any of the other terms, covenants, agreements or conditions hereof and such failure continues for more than 30 days after written notice thereof from the other party. In the event that a default (other than a default in the payment of money) is not reasonably susceptible to being cured within the 30 day period, the defaulting party shall not be considered in default if it shall within such 30 day period have commenced with due diligence and dispatch to cure such default and thereafter completes with dispatch and due diligence the curing of such default.

(b) Termination Upon Termination of Management Agreement. Notwithstanding anything to the contrary contained herein, this Agreement shall automatically

terminate at the same time as the termination of that certain Management Agreement between SMG and the CAA dated as of July 1, 2011.

(c) Effect of Termination. If this Agreement is terminated as provided herein, such termination shall have the effect of terminating the provision of the Services by SMGFB hereunder; but, the rights of either party which have accrued prior to the date of termination shall survive termination, including without limitation any rights under Section 13 with respect to indemnification.

## **Section 20. Assignment; Subcontracting.**

(a) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(b) Restriction on Assignment. Neither party may assign this Agreement without the prior written consent of the other party.

(c) Subcontracting. SMGFB shall be permitted to subcontract the provision of any of the Services hereunder to any affiliate of SMGFB without the CAA's prior written consent, and to any other party with the CAA's prior written consent.

## **Section 21. Notices.**

All notices or other communication permitted or required under this Agreement shall be in writing and shall be sufficiently given if and when hand delivered to the persons set forth below or if sent by documented overnight delivery service or registered or certified mail, postage prepaid, return receipt requested, or by telegram, telex or telecopy, receipt acknowledged, addressed as set forth below or to such other person or persons and/or at such other address or addresses as shall be furnished in writing by either party hereto to the other. Any such notice or communication shall be deemed to have been given as of the date received, in the case of personal delivery, or on the date shown on the receipt or confirmation therefor in all other cases.

### To the CAA:

Grand Rapids-Kent County  
Convention/Arena Authority  
303 Monroe Avenue, N.W.  
Grand Rapids, MI 49503  
Attention: Chairperson

With a copy to:

Richard A. Wendt, Esquire  
Dickinson Wright PLLC  
200 Ottawa Avenue, N.W.  
Suite 1000  
Grand Rapids, MI 49503

To SMGFB:

SMG Food and Beverage, LLC  
300 Conshohocken State Road, Suite 770  
West Conshohocken, PA 19428  
Attention: President

With a copy to:

William R. Sasso, Esquire or  
Steven A. Scolari, Esquire  
Stradley, Ronon, Stevens & Young, LLP  
2600 One Commerce Square  
Philadelphia, PA 19103-7098

**Section 22. Governing Law.**

This Agreement shall be governed by, construed and enforced in accordance with, the laws of the State, without giving effect to the principles of conflicts of law.

**Section 23. No Waiver; Remedies.**

The making or failure to make any payments, take any action, or waive any rights shall not be deemed an amendment of this Agreement, nor consent to such action or to any future action or failure to act, unless the party required to so consent or act expressly agrees in writing. Moreover, nothing contained in this Agreement shall be construed as a waiver of any rights either party hereto may have to seek damages, specific performance or other appropriate remedies from the other for breach of this Agreement.

**Section 24. Entire Agreement.**

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, whether oral or written, between the parties with respect to the subject matter hereof. This Agreement may not be amended or modified except in a writing signed by both of the parties hereto. No provision of this Agreement is intended to be for the benefit of any unrelated creditor to whom any debts, liabilities or obligations are owed by, or who otherwise has any claim against the CAA or SMGFB, and no such creditor shall obtain any right under any such provisions or shall by reason of such provisions make any claim in respect of any debt, liability or obligation (or otherwise) against the CAA or SMGFB.

**Section 25. Severability.**


If any paragraph, subparagraph, sentence, clause, phrase or portion of this Agreement is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such

**Exhibit A**  
**Commission**

<b><u>Category of Gross Revenue</u></b>	<b><u>Commission Rate</u></b>
Concessions	53.00%
Catering and Suite Services	19.50%
Sports Bar	30.0%

# VAN ANDEL ARENA® WEEKLY

Item 6

DATE	EVENT	EC	MOD	ROOM	TIME	FUNCTION
Wed, May 4	Savor	DG		5/3 Bank Vault	6P-8P	Staff training
Thur, May 5	Available					
Fri, May 6	Available					
Sat, May 7	Kenny Chesney	GC	CHRIS	Arena	8:00 AM 9:00 AM 2:00 PM 4:00 PM 6:00 PM 7P-7:30P 7:30P-7:45P 7:45P-8:35P 8:35P-9P 9P-10:55P 10:30 PM	Floor mark Load-in Chair set Security meeting Doors Uncle Kracker Intermission Billy Currington Intermission Kenny Chesney Load-out
		DG		Banquet All	6A-8P	Backstage catering
Sun, May 8	Available					
Mon, May 9	Available					
Tue, May 10	Available					
Wed, May 11	Available					
Thur, May 12	Available					
Fri, May 13	East Meets West Gospel Choir Competition	GC	JIM	Arena	7:30 PM	Performances
Sat, May 14	East Meets West Gospel Choir Competition	GC	KATHY	Arena	12:30 PM	Performances
Sun, May 15	Available					
Mon, May 16	Available					
Tue, May 17	Available					
Wed, May 18	Available					
Thur, May 19	Available					
Fri, May 20	Available					
Sat, May 21	Available					
Sun, May 22	Available					
Mon, May 23	IATSE – Local 26	GC		Arena	10A-1P 2P-5P	Rigger training – 1 <sup>st</sup> session Rigger training – 2 <sup>nd</sup> session
Tue, May 24	Available					
Wed, May 25	Available					
Thur, May 26	New Kids on the Block	GC	CHRIS	Arena	7:30 PM	Performance
Fri, May 27	Available					
Sat, May 28	Bob Seger	GC	KATHY	Arena	8:00 PM	Performance
Sun, May 29	Available					
Mon, May 30	 <b>Holiday – Memorial Day</b>					
Tue, May 31	Available					
Wed, Jun 1	Available					
Thur, Jun 2	Available					
Fri, Jun 3	Available					
Sat, Jun 4	Available					
Sun, Jun 5	Available					

# DEVOSPLACE

## REVISED WEEKLY - 2011

TUES. MAY 3	2011 MI HOMELAND SECURITY TRAINING CONFERENCE	Welsh Lobby	6:30am 6:30am-8:00am 6:30am-5:00pm 8:00am-4:00pm 8:00am-11:00am 9:00am-5:00pm 11:30am-12:00pm 12:30pm 1:00pm-2:45pm 2:45pm-3:00pm 3:00pm-4:00pm 4:00pm-5:30pm 5:30pm-7:00pm 7:00pm	Client Arrival IT Check at Registration Cyber Cafe Registration Open General Session Set Up/Rehearsal Exhibits Open Staff/Crew Lunch General Session Doors Open General Session Break General Session Networking Dinner & Program CHANGEOVER to Breakout Rooms	DA	Est. Attendance: 1,400
		W. GG Phone Bank Welsh Lobby Ballroom A-D Secchia Lobby Business Center Ballroom A-D Outside Cyber Cafe Ballroom A-D Outside Cyber Cafe Ballroom A-D		Move In Rehearsal Rehearsal	AK JH	
WED MAY 4	2011 MI HOMELAND SECURITY TRAINING CONFERENCE	DVPH	8:00am - 12:00pm 3:30pm - 6:00pm 7:30pm - 10:00pm	Client Arrival IT Checks Breakouts and Cyber Cafe Breakfast Registration Cyber Cafe Workshops #1 Exhibits Open American Red Cross - Blood Drive Hazard Coalition Meeting Workshops #2 Workshops #3 Lunch Workshops #4 Exhibitor Load Out Workshops #5 Workshops #6 CHANGEOVER to General Session <b>Client Departure</b>	DA	Est. Attendance: 1,400
		Welsh Lobby Exhibit Hall C Welsh Lobby W. GG Phone Bank Ball A-D, GG AB, CD Secchia Lobby Grand Gallery EF GG Overlook GH Ball A, B, C, D, GG AB, CD Exhibit Hall C Ball A-D, GG AB, CD Secchia Lobby Ball A, B, C, D, GG AB, CD Ballroom A-D	6:00am 6:00am-7:00am 7:00am-8:30am 7:00am-4:00pm 7:00am-5:00pm 8:00am-9:00am 8:30am-1:30pm 9:00am-3:00pm 9:00am-4:30pm 9:20am-10:20am 10:40am-11:40am 11:40am-1:00pm 1:00pm-2:00pm 1:30pm-3:30pm 2:20pm-3:20pm 3:40pm-4:40pm 5:30pm <b>8:00pm</b> 8:30am 9:00am- 5:00pm 8:00pm	Client Arrival IT Checks Breakouts and Cyber Cafe Breakfast Registration Cyber Cafe Workshops #1 Exhibits Open American Red Cross - Blood Drive Hazard Coalition Meeting Workshops #2 Workshops #3 Lunch Workshops #4 Exhibitor Load Out Workshops #5 Workshops #6 CHANGEOVER to General Session <b>Client Departure</b>	JL	
	WOLVERINE WORLDWIDE SALES MEETING	RO Rooms and Pre- function GG ABC, DEF		Client Arrival Load In, GTX and Client Set Up GG Production Load In		

G A-F = Grand Gallery Meeting Rooms A-F

GG = Grand Gallery Area

RO A-F = River Overlook A-F

O A-H = Overlook Meeting Rooms A-H

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BALL A-D = Ballroom A-D

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	LAKESHORE VOLLEYFEST	Exhibit Hall A-C	5:00pm 5:00pm-8:00pm	Client Arrival Chalk Floors	JL	
	GRSO CLASSICAL XI: ORCHESTRAL GEMS	DVPH	3:30pm - 6:00pm 7:30pm - 10:00pm	Rehearsal Rehearsal	AK JH	
THURS MAY 5	2011 MI HOMELAND SECURITY TRAINING CONFERENCE	Welsh Lobby Exhibit Hall C  Ballroom A-D  South East Ballroom A <b>Business Center</b> Ballroom A-D	6:30am 7:00am-8:30am 7:30am-9:30am 7:30am  8:00am-12:00pm 12:00pm <b>12:30pm</b> 12:30pm-4:00pm 4:00pm	Client Arrival Breakfast Information Desk Open General Session Doors Open General Session Staff/Crew Lunch <b>Photo Op</b> IA Load Out Client Departure	DA	Est. Attendance: 1,400
	WOLVERINE WORLDWIDE SALES MEETING	Grand Gallery ABC Grand Gallery DEF  Grand Gallery DEF Grand Gallery A-C Grand Gallery DEF Grand Gallery DEF	7:00am 8:00am 8:30am 10:15am 10:30am-12:00p 12:00pm 1:00pm 3:00pm 3:15pm 5:00pm	Client Arrival Breakfast General Session Break Product Showcase Lunch Product Showcase Break Product Showcase Closing Comment	JL	Est. Attendance: 150
	LAKESHORE VOLLEYFEST		7:30am 8:00am 8:00am	Client Arrival Bleacher Arrival Semi Truck Arrival	JL	
	EXCELLENCE IN BUSINESS DINNER	Exhibit Hall AB Exhibit Hall ABC  Monroe Rooms  Ballrooms	8:00am-3:00pm 3:00pm-8:00pm  3:00pm 4:00pm - 12:00am 7:00pm	Court Set Up Court Set Up  Load in begins - scenery pieces Production Load in Table set to begin	RC	
	GRSO CLASSICAL XI: ORCHESTRAL GEMS	DVPH	TBD Afternoon 7:30pm - 10:00pm	Mic Hang Rehearsal	AK JH	
FRI MAY 6	WOLVERINE WORLDWIDE SALES MEETING	RO Pre-function RO AB  RO CD RO E & F  RO AB, CD, E, F RO Pre-function RO AB	7:00am 8:00am 8:30am-10:15am  8:30am-10:15am 8:30am-10:15am 10:15am 10:30am-12:00pm 12:00pm 1:00pm-2:00pm	Client Arrival Breakfast International General Session Breakout Session Breakout Session Break Breakouts Cont. Lunch International Technology Showcase	JL	Est. Attendance: 150
G A-F = Grand Gallery Meeting Rooms A-F GG = Grand Gallery Area RO A-F = River Overlook A-F O A-H = Overlook Meeting Rooms A-H MON A-D = Monroe Meeting Rooms EH A-C = Exhibit Halls A-C DV = DeVos Performance Hall BALL A-D = Ballroom A-D						2

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		River Overlook	11:00am-2:00pm	Load Out		
	LAKESHORE VOLLEYFEST	Exhibit Hall ABC	5:30am 6:30am 7:00am 8:00am-10:00pm 10:00pm	Client Arrival Volleyfest Staff Arrival Doors to Public Event Client Departure	JL	Est. Attendance: 5000
	EAST KENTWOOD PROM	Ballroom A, Welsh Lobby	11:00am-5:00pm 2:00pm 5:30pm 6:00pm 6:30pm 7:00pm-11:00pm 11:00pm	Décor Set Up DJ Set Up Client Arrival Faculty Arrival Attendee Arrival Dance Tear Down	DA	Est. Attendance: 1,000
	GRANT HIGH SCHOOL PROM	Ballroom C, Secchia Lobby	10:00am-1:00pm 6:30pm 7:00pm 7:00pm-11:00pm 11:00pm	Décor Set Up Staff and Parent Volunteer Arrival Attendee Arrival Dinner/Dance Tear Down	DA	Est. Attendance: 300
	JOHN TREMBLAY FILM SHOOT	WELSH LOBBY STEPS	7:00AM-10:00AM	FILM SHOOT	ET	
	GRSO CLASSICAL XI: ORCHESTRAL GEMS  <i>BROADWAY GR "CHICAGO"</i>	DVPH Recital Hall DVPH DVPH/Lyon Dock DVPH	6:30pm 6:45pm 7:00pm - 7:30pm 7:30pm 8:00pm - 10:00pm 10:00pm- 12:00am AFTER PERFORMANCE	Outside Doors Open Lobby Open/Upbeat Open Upbeat Seating Open Performance Move Out HOUSE STRIP	AK JH	EST. ATTENDANCE 1200
SUN. MAY 8	LAKESHORE VOLLEYFEST	Exhibit Hall ABC	5:30am 6:30am 7:00am 8:00am-7:00pm 5:00pm until done	Client Arrival Volleyfest Staff Arrival Doors to Public Event EH Court Break Down	JL	Est. Attendance: 5000
	INVESTTOOLS WORKSHOP	Ballroom A	6:00pm-10:00pm	Load In and Set Up	DA	
	WOLVERINE NATIONAL MEETING	BALL CD BALL B BUS.CENTER CHASE GG A-F RO A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	SET UP SET UP OFFICE MEETING SPACE MEETING SPACE MEETING SPACE	RC	
	BROADWAY GR "CHICAGO"	DVPH/LYON DOCK	8:00am - 10:00pm	Move In	AK	

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# DEVOS-PLACE

## REVISED WEEKLY - 2011

MON. MAY 9	WOLVERINE NATIONAL MEETING	BALL B BALL CD BUS CENTER BOARDROOM GG A-F GGO A-H RO A-F Exhibit Hall ABC	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	MEETING SPACE SET UP OFFICE SET UP SET UP SET UP SET UP	RC	
	LAKESHORE VOLLEYFEST		8:00am	Bleacher Pick Up	JL	
	INVESTTOOLS WORKSHOP	Ballroom A	6:00am 7:30am-8:30am 8:30am-10:15am 10:15am-10:30am 10:30am-12:00pm 12:00pm-1:00pm 1:00pm-2:00pm 2:00pm-2:30pm 2:30pm-5:00pm 5:30pm	Client Arrival Registration Meeting Start Mid-morning break Meeting Lunch on own Meeting Afternoon break Meeting Client Departure	DA	EST. ATTENDANCE 550
	BROADWAY GR "CHICAGO"	DVPH Recital Hall DVPH	8:00am - 12:00pm 9:00am - 1:00pm 7:00pm - 10:00pm	Work Call Orchestra Rehearsal Rehearsal	AK	
TUES. MAY 10	WOLVERINE NATIONAL MEETING	BALL B BALL CD BUS CENTER BOARDROOM GG A-F GGO A-H RO A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	MEETING SPACE GENERAL SESSION OFFICE MEETING SPACE MEETING SPACE MEETING SPACE	RC	
	INVESTTOOLS WORKSHOP	Ballroom A	6:00am 7:30am-8:30am 8:30am-10:15am 10:15am-10:30am 10:30am-12:00pm 12:00pm 11:50am-1:00pm 1:00pm-2:00pm 2:00pm-2:30pm 2:30pm-5:00pm 5:00pm 5:00pm-7:00pm	Client Arrival Registration Meeting Start Mid-morning break Meeting Lunch on own Buyers Lunch Meeting Afternoon break Meeting Meeting End Load Out	DA	EST. ATTENDANCE 550
	BROADWAY GR: "CHICAGO"	DVPH DVPH	1pm - 4pm 6:00pm 6:30pm 7:00pm 7:30pm - 9:30pm	Rehearsal Outside Doors Open Lobby Open Seating Open Performance	AK	EXT. ATTENDANCE 1,200

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# DEVOS-PLACE

## REVISED WEEKLY - 2011

WED. MAY 11	MCUL CONVENTION & EXPO	EH C SECCHIA LOBBY BALL A	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	SETUP SET UP SETUP	DA	
	WOLVERINE NATIONAL MEETING	BALL B BALL CD BUS.CENTER BOARDROOM GG A-F GGO A-H RO A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	MEETING SPACE GENERAL SESSION OFFICE MEETING SPACE MEETING SPACE MEETING SPACE	RC	
	KENT COUNTY ELECTRONIC DOCUMENT FILING SYMPOSIUM	Monroe A, BC Monroe BC Monroe A Monroe A Monroe A, BC	7:30AM 9:00AM - 5:00PM 9:30AM - 11:30AM 1:30PM - 3:30PM 5:00PM	Client arrival and setup Vendors Session 1 Session 2 Client estimated departure	RC	EST ATTENDANCE 50-100
	BROADWAY GR: CHICAGO	DVPH	6:00pm 6:30pm 7:00pm 7:30pm - 9:30pm 9:30pm - 1:30am	Outside Doors Open Lobby Open Seating Open Performance Move Out	AK	EXT.ATTENDANCE 1,200
THUR. MAY 12	MCUL CONVENTION & EXPO	EH C EH C PRE SECCHIA LOBBY BALL A-B	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	EXHIBIT RECEPTION AREA REGISTRATION SETUP	DA	
	WOLVERINE NATIONAL MEETING	BALL CD BUS.CENTER BOARDROOM GG A-F GGO A-H RO A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	GENERAL SESSION OFFICE MEETING SPACE MEETING SPACE MEETING SPACE	RC	
	STEPHEN PIERCE MRMI INFINITE INTERNET WORKSHOP	MON A-D	8:00AM-11:59PM	SET UP		
	BROADWAY GR: CHICAGO GRSO POPS VI: WICKED DIVAS	DVPH DVPH	TBD 1PM-5PM 7PM-10PM	House Restore MOVE IN REHEARSAL	AK	
FRI. MAY 13	MCUL CONVENTION & EXPO	EH C EH C PRE-FUNC SECCHIA LOBBY BALL A-B	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	EXHIBIT RECEPTION AREA REGISTRATION DINNER	DA	
	FIFTH THIRD RIVER BANK RUN	EH AB EH AB	8:00AM-11:00AM 11:00AM-8:00PM	SETUP EXPO	DA	
	WOLVERINE NATIONAL MEETING	BALL CD BUS.CENTER BOARDROOM GG A-F GGO A-H RO A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	GENERAL SESSION OFFICE MEETING SPACE MEETING SPACE MEETING SPACE	RC	
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				8:00AM-11:59PM	MEETING SPACE		
	STEPHEN PIERCE MRMI INFINITE INTERNET WORKSHOP	MON A-D		8:00AM-11:59PM	GENERAL SESSION		
	CITY MANAGERS MEETING	Recital Hall		8:00AM 8:30AM - 11:00AM	Client Arrival Meeting	RC	EST. ATTENDANCE 40
	GRSO POPS VI: <i>WICKED DIVAS</i>	DVPH RECITAL HALL		8PM-10PM 10PM-12AM	PERFORMANCE RECEPTION	AK	
SAT. MAY 14	MCUL CONVENTION & EXPO	SECCHIA LOBBY BALL A-B		8:00AM-11:59PM 8:00AM-11:59PM	REGISTRATION DINNER	DA	
	SAE NOISE & VIBRATION CONFERENCE	EH C		6:00AM-11:59PM	SET UP	JL	
	STEPHEN PIERCE MRMI INFINITE INTERNET WORKSHOP	MON A-D		8:00AM-11:59PM	GENERAL SESSION		
	WOLVERINE NATIONAL MEETING	BALL CD BUS.CENTER		8:00AM-11:59PM 8:00AM-11:59PM	TEAR DOWN TEARDOWN	RC	
	FIFTH THIRD RIVER BANK RUN	EH AB		6:00AM-11:00AM	REGISTRATION	DA	
	GRSO POPS VI: <i>WICKED DIVAS</i>	DVPH		8PM-10PM	PERFORMANCE	AK	
SUN. MAY 15	SAE NOISE & VIBRATION CONFERENCE	EH C		8:00AM-11:59PM	SET UP	JL	
	STEPHEN PIERCE MRMI INFINITE INTERNET WORKSHOP	MON A-D		8:00AM-11:59PM	GENERAL SESSION		
	GRSO POPS VI: <i>WICKED DIVAS</i>	DVPH		3PM-5PM 5PM-8PM	PERFORMANCE MOVE OUT	AK	
MON. MAY 16	SAE NOISE & VIBRATION CONFERENCE	EH C GG D GG EF		8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	EXHIBIT BREAKOUT ROOM BREAKOUT ROOM	JL	
TUES. MAY 17	SAE NOISE & VIBRATION CONFERENCE	BALL AB GG A-F GGO A-H BALL C-D SECCHIA EH C		8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	DINNER BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM REGISTRATION EXHIBIT	JL	
WED. MAY 18	SAE NOISE & VIBRATION CONFERENCE	BALL A-B GG A-F GGO A-H BALL C-D SECCHIA		8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	DINNER BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM REGISTRATION	JL	

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		EH C	8:00AM-11:59PM	EXHIBIT	
	SIMULIA N&V FORUM	RO A LOBBY RO A	8:00AM-11:59PM 8:00AM-11:59PM	REGISTRATION MEETING	JL
THURS. MAY 19	SAE NOISE & VIBRATION CONFERENCE	BALL A-B GG A-F GO A-H BALL C-D WEST GG EH C	8:00AM-5:00PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	DINNER BREAKOUT ROOM BREAKOUT ROOM BREAKOUT ROOM REGISTRATION EXHIBIT	JL
	SWEET ADELINES	BALL AB BALL PRE-FUNC SECCHIA LOBBY	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	SET UP REGISTRATION REGISTRATION	RC
	BROADWAY GR: STOMP	DVPH	8A-5P	PRE HANG	AK
FRI. MAY 20	SWEET ADELINES	BALL AB BALL PRE-FUNC SECCHIA LOBBY BALL CD	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	PERFORMANCE REGISTRATION BREAKOUT ROOMS	RC
	BROADWAY GR: STOMP	DVPH	8A-5P 8P-10P	MOVE IN PERFORMANCE	AK
SAT. MAY 21	SWEET ADELINES	BALL AB BALL PRE-FUNC SECCHIA LOBBY BALL CD	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	PERFORMANCE REGISTRATION BREAKOUT ROOM	RC
	NEW HOPE BAPTIST/ CITY WIDE HIGH SCHOOL LUNCHEON	GG ABCDEF	8:00AM-11:59PM	BANQUET	RC
	BROADWAY GR: STOMP	DVPH	2P-4P 8P-10P	PERFORMANCE PERFORMANCE	AK
SUN. MAY 22	AGING SERVICES OF MICHIGAN	EH A	8:00AM-11:59PM	SET UP	JL
	BROADWAY GR: STOMP	DVPH	1P-3P 3P-7P	PERFORMANCE MOVE OUT	AK
MON. MAY 23	AGING SERVICES OF MICHIGAN	EH A	8:00AM-11:59PM	SET UP	JL
	SPECTRUM HEALTH SYSTEM LEADERSHIP CONFERENCE	BALL A-D GG CDEF GGO A-H RO A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	SET UP MEETING SPACE MEETING SPACE MEETING SPACE	JL

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TUES. MAY 24	AGING SERVICES OF MICHIGAN	EH A	8:00AM-11:59PM	EXHIBIT	JL
	SPECTRUM HEALTH SYSTEM LEADERSHIP CONFERENCE	BALL A-D CHASE BRDRM GO A-H, RO A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	BANQUET	JL
	CHINA HARVARD VISIT	GG AB	8:00AM-11:59PM	LUNCH	DA
	GRSO AUDITIONS	DVPH	8:00AM-11:59PM	REHERSAL	
WED. MAY 25	CHINA HARVARD VISIT	RO EF CHASE BDRM	8:00AM-11:59PM 8:00AM-11:59PM	MEETING LUNCH	DA
	WARNER NORCROSS & JUDD HR SEMINAR	BALL B BALL B BALL COAT BALL D GGO A-H BUS CENTER GGO AB	7:15AM-8:15AM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	REGISTRATION CONTINENTAL BREAKFAST GENERAL BREAKOUT ROOMS OFFICE BREAKOUT ROOMS	RC
	W. MI. ACCOUNTING & AUDITING SYMPOSIUM (WMAAS)	BALL A, BALL A PRE BALL A GG A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	COAT CLOSET REGISTRATION KEYNOTE/LUNCH BREAKOUT ROOMS	RC
THURS. MAY 26	DARK				
FRI. MAY 27	DARK				
SAT. MAY 28	DARK				
SUN. MAY 29	DARK				
MON. MAY 30	DARK				

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