

Agenda

Board of Directors

Friday, October 3, 2014

Following CAA Operations Committee Meeting

Kent County Commission Chambers

300 Monroe, NW – Grand Rapids, MI

- | | | |
|----|---|---------------|
| 1. | Call to Order | Steve Heacock |
| 2. | International Wine, Beer & Food Festival Preview | ShowSpan |
| 3. | Minutes of September 5, 2014 | Action |
| 4. | Committee Reports | |
| | A. Operations Committee | |
| | i. Wi-Fi/DAS Solution for Van Andel Arena® | Action |
| | ii. Permanent Advertising at DeVos Place® | Action |
| | B. Finance Committee | |
| | i. Monthly Financial Reports | |
| | a. Acceptance of Consolidated August 2014 Financial Statements | Action |
| | b. SMG – Van Andel Arena® and DeVos Place® August 2014 Financial Statements | Information |
| 5. | SMG Report and Facilities Calendars | Information |
| 6. | Public Comment | |
| 7. | Adjournment | |

Next Meeting Date: Friday, November 7, 2014
Joint Meeting of the CAA Board and Committees

Presentation

7 th Grand Rapids International Wine, Beer & Food Festival November 20-22, 2014

Celebration of Culinary Crafts A Grand Rapids Tradition

- Introductory video for 2014 social networking campaign
- Partners
 - Financial success
 - Revenues grow
- Lasting relationships
 - Ferris State and other colleges
 - Meijer (Food Stage)
 - Tasters Guild & Joe Borello
 - Michigan Grape & Wine Industry Council
 - Angus Campbell from GRCC Secchia Institute
 - Grand Rapids Magazine (Show Program)
 - Many key Distributors (Trade Component)
- Review of 2013
 - Introduction of the Brewer's Loft
 - Introduction of the Cider House
 - This brought us to 4 music stages
 - We continue to grow and refine the event category by category
- What is New
 - RendezBrew – Coffee, Cordials & Dessert Cafe
 - Brewer's Loft "back door" access improves Festival flow
 - Festival App
 - Interesting door prizes (ETW)
 - Expanded outreach to groups
- Marketing the event
 - Festival style – This is a tasting experience
 - Attendee makeup
 - 40% attend from outside of Kent & Ottawa (33% Boat Show, 30% Auto Show)
 - Average age is 43 vs. 48.5 in all other events
 - 3-day Ticket
 - Major Media – TV, Radio, Digital, Billboards
 - Broader reach – Magazine, Michigan Public Radio, Outstate PR
 - Social networking
 - Guerilla marketing – posters, promo cards, street banners

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS MEETING
Friday, September 5, 2014**

1. Call to Order

Steve Heacock, Chairperson, called the meeting to order at 7:55 a.m. Secretary/Treasurer, Richard Winn, recorded the meeting minutes.

Attendance

Members Present: Steve Heacock, Chairperson
George Heartwell
Birgit Klohs
Charlie Secchia
Floyd Wilson, Jr.
Rick Winn

Members Absent: Lew Chamberlin

Staff/Others:	Tom Bennett	Experience Grand Rapids
	Daryl Delabbio	Kent County
	Tim Gortsema	Grand Rapids Griffins
	Diane Jones	Kent County Commission
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Richard Wendt	Dickinson Wright

2. Minutes of Prior Meetings

Motion by Mr. Wilson, support by Ms. Klohs, to approve the August 1, 2014, Minutes. Motion carried.

3. Committee Reports

A. Operations Committee

i. Experience Grand Rapids Report

Mr. Bennett provided an overview of the CVB's recent sales activities, marketing efforts, and major bid presentations. Staff booked three groups in August for a total of 600 attendees and 5,200 room nights. Staff attended the ASAE trade show in Nashville that was attended by 2,500 meeting planners. Sales staff held a client event in Lansing that was attended by 100 meeting planners and meeting executives.

B. Finance Committee

i. Monthly Financial Reports

a. Acceptance of Consolidated July 2014 Financial Statements

Motion: Mr. Winn, supported by Ms. Klohs, moved to accept the Consolidated July 2014 Financial Statements. Motion carried.

b. **SMG Van Andel Arena® and DeVos Place® June 2014
Financial Statements**

The SMG financial statements were included in the agenda packet as information items.

ii. **FY 2014 Audit Plan – BDO USA, LLP**

The BDO audit plan was included in the agenda packet as an information item. The Deloitte & Touche special purpose financial statements for SMG will be presented at the October 3 CAA Board meeting and the BDO audit will be presented at the December 5 CAA Board meeting.

4. SMG Report and Facilities Calendars

Mr. MacKeigan reported that the Arena is very busy with several concerts, including the Black Keys, Eagles, Eric Church, Cher, Trans Siberian Orchestra, Bill Gaither, and Winter Jam. The Griffins season opener is scheduled October 10. Upcoming family shows include the circus, Gala of the Royal Hourses, Sesame Street Live, and Arena Cross. DeVos Performance Hall is also busy, with a strong Broadway season, Dave Ramsey, Straight No Chaser, Nutcracker, Shen Yun, Brit Floyd, Bonamassa, Real Comedians of Hollywood, and Disney Live. Next month, SMG staff will be presenting recommendations on permanent advertising at the convention center and a wi-fi/DAS solution for the Arena. The convention center will exhibit 103 ArtPrize installations this year. Progressive AE is conducting an energy audit and looking at several options. A proposal will be ready in a couple of months.

5. Public Comment

None.

6. Board Member Comments

Mr. Heartwell stated that he is receiving e-mails from animal rights activists protesting the upcoming circus. The Mayor inquired whether staff took precautions for protests. Rich responded that the venues get protests on a regular basis and staff works closely with the Grand Rapids Police Department. The venues have well-prepared plans outlining where protesters can locate and what they can do. Ringling Brothers just won a multi-million dollar lawsuit against PETA, as it was proven that their animals are treated extremely well. Chair Heacock stated a meeting of the parking subcommittee is scheduled September 22, and they are working quickly to prepare a proposal. Chair Heacock invited suggestions regarding the educational component of the Board meetings. Chair Heacock would like to hold an annual joint meeting of the CAA Board and its committees. The meeting would include updates from the CAA's partners (Experience Grand Rapids, DGRI, Griffins, etc.) and the arts tenants. The meeting will be scheduled by year's end and will include breakfast.

7. Adjournment

The meeting adjourned at 8:30 a.m. The date for next CAA Board meeting is **Friday, October 3, 2014**, following the CAA Operations Committee meeting.

Richard A. Winn, Recording Secretary



**Van Andel Arena®
DeVos Place®**

Memorandum

To: CAA Board Members
From: Jim Watt, Assistant General Manager
CC: Rich MacKeigan, Chris Machuta
Date: Sept. 18, 2014
Re: ARENA DAS-Wi Fi RECOMMENDATION

We have been in discussions for quite some time now with a variety of vendors to provide a neutral host cellular Distributed Antenna System (DAS) in conjunction with a full WiFi system for the arena. In the ever increasing world of wireless communications both of these systems are becoming an industry standard in public assembly facilities for tenants, clients, and patrons.

In discussions with all the vendors there is no cost to the arena for capital improvements or equipment required for the installation. Due to the large capital investment by the vendor they all have similar requirements regarding the length of the agreement, ten plus years, and the nature of the agreement being a property lease.

We received significant support from SMG and specifically their Technical Services division not only in the technical needs of the systems for our facility but in bringing Boingo to the table and negotiating a superior agreement on our behalf.

SMG is requesting CAA authorization to work with Dick Wendt in preparation for the CAA to enter into a formal Lease Agreement with Concourse Communications Group, LLC (Boingo). Their proposal, draft

attached, is for an initial term of ten (10) years, one five (5) year extension term, and year to year thereafter. The financial rent and payments to the facility are superior to others presented. The length of time involved thus far has certainly been worth the wait.

The Agreement will give Boingo exclusive rights to solicit Carriers and execute agreements with them for a period of 90 days with one 30 day extension. If no Carrier agreements are signed during that time period Boingo may terminate the Agreement with the CAA.

Access fee/Rent begins the month following commencement of construction of the system, Rent Commencement Date (RCD). One-time payment would also be at the RCD. Carrier Offload and Advertising revenue shares begin when fully operational as they occur.

VENDOR 10 YEAR COMPARE

REVENUE TO FACILITY 10 YR	BOINGO	2ND CLOSEST QUOTE
Access fee/Rent (Guaranteed)	\$750,000	\$144,443
Carrier Offload	\$42,500	\$0
One Time Payment (Guaranteed)	\$50,000	\$ 25,000
Advertising opportunity	\$250,000	\$304,900
TOTAL NET REV TO FACILITY	\$1,092,500	\$474,343

Advertising Opportunity not guaranteed

In addition to the above Boingo offers two \$50k one time payments for the 2nd and 3rd cell Carriers at the time of their signing on.

It is possible that space for the actual head end equipment will be at DeVos Place with fiber run to the arena and antennas throughout the arena.

Venue Name:
SMG Property ID #

NEUTRAL HOST CELLULAR DAS AND WIFI LEASE AGREEMENT

THIS LEASE AGREEMENT ("**Agreement**"), dated as of the latter of the signature dates below (the "**Effective Date**"), is entered into by SMG, the operator of [], a Pennsylvania partnership having a mailing address of [] ("**Lessor**") and Concourse Communications Group, LLC, an Illinois limited liability company with its principal office at 200 W. Madison St., Suite 2830, Chicago, IL 60606 ("**Lessee**").

BACKGROUND

Lessor manages that certain plot, parcel or tract of land, improved with a multi-purpose arena structure (the "**Structure**"), together with all rights and privileges arising in connection therewith, located [] (collectively, the "**Property**"). Lessee and those of its sublessees, as applicable, desire to use a portion of the Property in connection with installation, operation and maintenance of a neutral host cellular Distributed Antenna System ("**DAS**") and high-density WiFi ("**WiFi**") network collectively referred to as ("**Systems**"). Lessor desires to grant Lessee the rights to use a portion of the Property, and to install Systems to provide wireless services to the Property, its customers, and visitors, and to future users of the Systems in accordance with the terms of this Agreement.

Lessee desires to act as lead integrator for the Systems, and, as such, to design, construct, install, maintain and upgrade the Systems from time to time to meet the standards prescribed in this Agreement. In addition, Lessee will contract with wireless operators licensed by the Federal Communications Commission (each a "**Carrier**") and other third party companies as allowed by law for connection to and use of the Systems, all as provided in this Agreement.

The parties agree as follows:

1. **INCORPORATION OF RECITALS.** The recitals set forth above are incorporated herein as set forth in their entirety.
2. **LEASE OF PREMISES.** Lessor leases to Lessee: (A) a certain portion of the Property containing approximately [] square feet including the air space above such room/cabinet/ground space (the "**Equipment Space**"); and (B) areas located throughout the Property for the placement of antennas as described on the attached **Exhibit 1**, or in such other locations as Lessor and Lessee shall mutually approve after good faith consultation, which locations are deemed sufficient in Lessor's sole determination for the operation of the antennas (the "**Antenna Space**"). Additionally, Lessor irrevocably grants to Lessee during the Term (as defined below) a non-exclusive license over, under, along and through the Property in locations reasonably determined necessary by Lessee, from time to time, to install, maintain, repair, replace and remove conduits, wires, cables, cable trays and other necessary connections between the Equipment Space and/or the Antenna Space and the electric power, telephone and/or fuel sources on the Property (collectively the "**Connections**"). The Equipment Space, the Antenna Space, and the space occupied by the Connections are hereinafter collectively referred to as the "**Premises**", as described on attached **Exhibit 1**.

3. PERMITTED USE.

(a) Lessee hereby is granted the exclusive use of the Premises for the installation, construction, maintenance, operation, repair, replacement and upgrade of the Systems and any and all other communications fixtures, small cell technology and related equipment, cables, accessories and improvements as may be needed by Lessee (and its sublessees, as applicable) from time to time to fully provide for the continuous transmission and reception of communications signals, which may include a suitable support structure, associated antennas, equipment shelters or cabinets and fencing and any other items necessary to the successful and secure use of the Premises (collectively, the "**Communication Facility**"), as well as the right to test, survey and review title on the Property, at no additional cost to Lessee as described in Sections 3 (b) and 3 (c) below (collectively, the "**Permitted Use**"). Plans and drawings referenced in Exhibit 1 shall be provided to Lessor and Lessor will approve such drawings within thirty (30) days after receipt from Lessee. Lessee has the exclusive right to install and operate transmission cables from the equipment shelter or cabinet to the antennas, electric lines from the main feed to the equipment shelter or cabinet and communication lines from the Property's main entry point to the equipment shelter or cabinet, and to make Property improvements, alterations, upgrades or additions appropriate for Lessee's use ("**Lessee Changes**"). Lessee agrees to comply with all applicable governmental laws, rules, statutes and regulations relating to its use of the Communication Facility on the Property. In the event Lessee desires to modify, replace, or upgrade the Communication Facility, and Lessee requires an additional portion of the Property (the "**Additional Premises**") for such modification or upgrade, Lessor agrees to lease to Lessee the Additional Premises based on Lessor's determination that additional space is available, upon the same terms and conditions set forth herein, except that the Rent shall increase, in conjunction with the lease of the Additional Premises by a proportionate amount consistent with the rates charged under this Agreement for Equipment Space. Lessor agrees to take such actions and enter into and deliver to Lessee such documents as Lessee reasonably requests in order to effectuate and memorialize the lease of the Additional Premises to Lessee.

(b) Lessee shall, at its sole expense, design, construct, ~~and~~ install and maintain the Systems throughout the Property to provide full voice and data cellular coverage and 2.4 / 5 Ghz WiFi coverage at the Property (the "**Project**") in accordance with the technical standards outlined in Exhibit X (the "**Technical Standards**"), the operations standards outlined in Exhibit Y ("Operations Standards"), the drawings referenced in Exhibit 1 (the "**Preliminary Designs**"), and according to participating carrier specifications, as such designs may be modified or supplemented by the approved Project Plans, and the terms of this Agreement. The System must provide coverage for the entire Property, inclusive of administrative areas, support staff locations, convention center floor, meeting rooms, hallways and general spaces.

(c) Lessor ~~has not granted and~~ will not grant or permit, after the date of this Agreement, a lease, license, or any other right to any third party for use of any portion of the Property to install or operate a cellular DAS or WiFi network except for existing Systems that are being operated under an existing lease agreement or by a tenant of the Facility. Lessee hereby covenants to build and operate the Systems and to make the Systems available for sublease to other Carriers and third parties as applicable, on reasonable terms and conditions, and in accordance with the terms of this Agreement.

4. TERM.

(a) The initial lease term will be ten (10) years ("**Initial Term**"), commencing on the Effective Date. The Initial Term will terminate on the tenth (10th) anniversary of the Effective Date.

(b) This Agreement will renew for one (1) additional five (5) year term (defined as an "**Extension Term**"), upon the same terms and conditions upon written notice from Lessor. Lessee has the right to notify Lessor in writing of Lessee's intention not to renew this Agreement at least sixty (60) days prior to the expiration of the then existing Term.

(c) If, at least sixty (60) days prior to the end of the Extension Term, either Lessor or Lessee has not given the other written notice of its desire that the term of this Agreement end at the expiration of the Extension Term, then upon expiration of the Extension Term this Agreement shall continue in force upon the same covenants,

terms and conditions for a further term of one (1) year, and for annual terms thereafter ("Annual Term") until terminated by either party by giving to the other written notice of its intention to so terminate at least six (6) months prior to the end of any such Annual Term. Monthly rental during such annual terms shall be subject to the escalation percentage set forth in this agreement. If Lessee remains in possession of the Premises after the termination of this Agreement, then Lessee will be deemed to be occupying the Premises on a month-to-month basis (the "Holdover Term"), subject to the terms and conditions of this Agreement.

(d) The Initial Term, any Extension Terms, any Annual Terms and any Holdover Term are collectively referred to as the Term ("Term").

(e) Lessee will have exclusive right to market the property to Carriers to determine their interest to utilize System for a period of ninety (90) calendar days following the effective date of this Agreement. In the event Lessee doesn't provide Lessor with an executed lease from a Carrier and within the prescribed period of time the exclusive period will extend for a period of thirty (30) calendar days with Lessor having the right to terminate this Agreement upon 10 days written notice to Lessee.

5. RENT AND PROJECT FEE

(a) Commencing on the fifth (5th) day in the month following the date that Lessee commences construction of the System (the "Rent Commencement Date"), Lessee will pay Lessor a minimum monthly rental payment [] (the "Rent"), at the address set forth above in accordance with the schedule provided below. In any partial month occurring after the Rent Commencement Date, Rent will be prorated. The initial Rent payment will be forwarded by Lessee to Lessor within forty-five (45) days after the Rent Commencement Date. The Rent provided herein is composed of _____ Dollars (\$) for the Equipment Space and _____ Dollars (\$) for the remainder of the Premises. Rent will escalate by 3% each year of the Initial Term.

(i) Initial Lump Sum Payment due upon execution of the contract - \$50,000.00.

(ii) Monthly Payments will be provided as follows:

(iii) Years 1 & 2 - \$3,000.00/month

(iv) Years 3, 4, & 5 - \$5,500.00/month

(v) Years 6, 7, 8, 9 & 10 - \$8,000.00/month

(vi) Lump Sum payments totaling \$100,000.00 (\$50,000 each) will be paid to Lessor within-for the 2nd and 3rd Wireless Cellular Carriers joining the System within 45 days of their agreement being executed with Boingo.

(b) In year one (1) of each Extension Term, the monthly Rent will increase by ten percent (10%) over the Rent paid during the previous Initial Term or Extension Term, as applicable.

(c) All charges payable under this Agreement such as utilities and taxes shall be billed by Lessor to Lessee and will be promptly paid in accordance with the terms of this Agreement. The foregoing shall not apply to monthly rent which is due and payable without a requirement that it be billed by Lessor. The provisions of this subsection shall survive the termination or expiration of this Agreement.

~~(d) Lessee will pay SMG Technical Services a one-time project management fee in the amount of [] to provide access coordination, design review and expedite assistance. The fee will be invoiced by SMG Technical Services to Lessee upon execution of this agreement and will be due on a net 30 basis.~~

(de) Lessee will pay Lessor a monthly revenue share payment within 45 days of the end of each month in addition to the monthly rental-Rent payment described in 5 (a) above. The revenue share payments are outlined below. in Exhibit Z. Lessee will provide Lessor a detailed reconciliation of all advertising and carrier offload revenue streams on a monthly basis.

(i) Advertising – Revenue Share

a. Boingo sold advertising – 50% / 50% split

b. SMG sold advertising – 75% – SMG - 25% - Boingo

(ii) Carrier Offload – Revenue Share – ~~X%~~15% SMG – 85% % Boingo

6. PROJECT MANAGEMENT

(a) M S Benbow & Associates ("Benbow") will represent Lessor in all matters relating to the Project and will be the lead contact between Lessee and its subcontractors on the one hand and Lessor on the other hand. Lessee has appointed { name to be provided by Concourse } as project manager for the Project to serve as a single point of contact for communications with Benbow and Lessor, act as liaison between Lessor and Lessee's employees and sub-contractors, attend on-site meetings, both scheduled and unanticipated, be on-site to oversee sub-contractor work and keep the Project on schedule and update the Project status. Lessee shall promptly notify Benbow and Lessor of any change in the individual serving as the project manager, and any such new project manager must have substantial experience in the design and installation of the Systems ~~. comparable to the DAS.~~ In consultation with Lessor, Lessee has prepared and submitted to Benbow and Lessor a timeline for completion of the site survey, planning, installation, testing and other milestones associated with the Project. Any change to the Project timeline which would delay a milestone critical to a construction deadline shall require Benbow's consent, provided that any such change shall not affect Lessee's obligations under this Agreement.

7. INSPECTION AND AUDIT

(a) Lessor's representatives, including Benbow, shall have the right to inspect the Systems from time to time and Lessee shall cooperate with Lessor to provide such representatives reasonable access to the Systems for inspection. Lessor shall have the right to review copies of all documentation prepared with respect to the Systems, all contractor and subcontractor invoices and books and records relating to the Project and the System upon reasonable advance notice to the Lessee.

8. PRE- CONSTRUCTION

(a) Design - Lessee shall, at its sole expense, post carrier lease execution, complete the design of the Systems and prepare detailed drawings, plans and specifications meeting the Technical Standards (in consultation with Lessor and Benbow) and consistent with the Preliminary Designs, as such designs may be modified or supplemented by the approved Project Plans.

(b) Project Planning - Lessee shall continue to diligently prosecute, at its sole expense, all activities necessary to the design of the Systems and the plan for prosecution of the Project, including the following:

(1) Prepare detailed drawings, plans and specifications for the Systems and other documentation, including a layout of the network design (the "Project Plans").

(2) Submit Project Plans to Lessor for its approval. Lessor shall respond and either approve or give a notice of its disapproval and the specific reasons (and actions needed to obtain approval), promptly but in no event later than the twentieth business day following receipt, the parties recognizing that time is of the essence. Lessee is permitted to submit parts of the Project Plans for significant portions of the construction for Lessor's review in accordance with this Section 8 (b)(2).

9. CONSTRUCTION

(a) Lessee, at its sole expense, shall construct and install the Systems in accordance with the Project Plans and the following: (i) construction on any part of the System may begin only after Lessor has approved the Project Plans for that portion of the Systems, as contemplated in Section 8 (b); and (iii) construction

of the System must be substantially completed and successfully tested within two hundred ten (210) calendar days of execution of a carrier lease. on or before { date to be determined }.

10. PROPERTY ACCESS

(a) In General, Throughout the Construction Period, Lessor will afford Lessee full and free access to the Property, 24 hours per day and seven days a week for purposes of performing work necessary to completing the Project Plans and for the construction of the Project, other than during Blackout Dates and Restricted Access Dates. Access to the Property on Restricted Access Dates and Blackout Dates will be permitted as provided in subsections (b) and (c) below. Lessee's employees, agents and contractors (including contractor's employees) shall not be permitted any access to the Property without required credentials supplied by Lessor, which shall be promptly provided.

(b) Blackout Dates - Dates when a Facility is unavailable for work during the Construction Period are referred to as "Blackout Dates." Known Blackout Dates are listed on Exhibit XX. Lessee may not access a Facility on the Blackout Dates applicable to that Facility without advance written approval of Lessor. Lessor shall provide Lessee with limited access to a Facility on a Blackout Date if Lessor determines, in its sole discretion, that such access will not interfere with the event or activity at the Facility and Lessor is not otherwise prohibited from permitting such access. Specifically, Lessor shall permit access to a Facility on a Blackout Date (unless otherwise prohibited from doing so) if one of the following conditions are met: (i) the areas or locations being accessed are not a part of the Facility being used for the event giving rise to the Blackout Date and there is not expected to be any visibility of the work to the participants or attendees of such event; or (ii) access occurs prior to an event and the participants and attendees will not be impacted by the work then being performed, provided work must stop a minimum of three hours prior to the start of the event; or (iii) access occurs after an event has ended and the participants and attendees have left the premises, provided work must not begin sooner than three hours after the end of the event.

(c) Restricted Access - Lessor may restrict access to a Facility on any additional date during the Construction Period (a "Restricted Access Date") by sending written notice to Lessee; provided, however, on each Restricted Access Date Lessor shall be required to permit Lessee to access a portion of the restricted Facility during times of day which will not interfere with the event or activity at the Facility, determined in Lessor's sole, but reasonable discretion.

(d) Post Construction Access. In General, throughout the Initial term of the agreement and extension term, if any, Lessor will afford Lessee full and free access to the Property, 24 hours per day and seven days a week for purposes of performing work necessary to operate and maintain the Systems other than during Blackout Dates and Restricted Access Dates. Access to the Property on Restricted Access Dates and Blackout Dates will be permitted as provided in subsections (b) and (c) above. Lessee's employees, agents and contractors (including contractor's employees) shall not be permitted any access to the Property without required credentials supplied by Lessor, which shall be promptly provided. Lessor will work with Lessee on a case by case basis for access during emergency situations to restore ~~DAS~~ service at the Facility.

11. APPROVALS

(a) Lessor agrees that Lessee's ability to use the Premises is contingent upon the suitability of the Premises and Property for Lessee's Permitted Use and Lessee's ability to obtain and maintain all governmental licenses, permits, approvals or other relief required of or deemed necessary or appropriate by Lessee for its use of the Premises, including without limitation applications for zoning variances, zoning ordinances, amendments, special use permits, and construction permits (collectively, the "**Government Approvals**"). Lessor authorizes Lessee to prepare, execute and file all required applications to obtain Government Approvals for Lessee's Permitted Use under this Agreement and agrees to reasonably assist Lessee with such applications and with obtaining and maintaining the Government Approvals. In addition, Lessee shall have the right to initiate the ordering and/or scheduling of necessary utilities.

(b) Lessee has the right to obtain at Lessee's sole cost and expense a title report or commitment for a leasehold title policy from a title insurance company of its choice and to have the Property surveyed by a surveyor of its choice.

(c) Lessee may also perform and obtain, at Lessee's sole cost and expense, tests or reports on, over, and under the Property, necessary to determine if Lessee's use of the Premises is compatible with Lessee's engineering specifications, system, design, operations or Government Approvals.

12. TERMINATION. This Agreement may be terminated, without penalty or further liability, as follows:

(a) by either party on thirty (30) days' prior written notice, if the other party remains in default under Section 16 of this Agreement after the applicable cure periods;

(b) by Lessee upon written notice to Lessor, if Lessee is unable to obtain, or maintain, any required approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of the Communication Facility as now or hereafter intended by Lessee.

13. INSURANCE. During the Term, Lessee will carry, at its own cost and expense, the following insurance:

(i) "All Risk" property insurance for its property's replacement cost; (ii) Workers' Compensation Insurance as required by law; and (iii) commercial general liability (CGL) insurance with respect to its activities on the Property, such insurance to afford minimum protection of Three Million Dollars (\$3,000,000) combined single limit, per occurrence and in the aggregate, providing coverage for bodily injury and property damage (such limits may be covered via a base policy and umbrella policies). Lessee's CGL insurance shall contain a provision including Lessor as an additional insured to the extent of the indemnity provided by Lessee under this Agreement. Notwithstanding the foregoing, Lessee shall have the right to self-insure against the risks for which Lessee is required to insure against in this Section.

14. INTERFERENCE.

(a) Where there are existing radio frequency user(s) on the Property, Lessor will provide Lessee, upon execution of this Agreement, with a list of all existing radio frequency user(s) on the Property to allow Lessee to evaluate the potential for interference. Lessee warrants that its use of the Premises will not interfere with existing or future radio frequency user(s) on the Property so disclosed by Lessor, as long as the existing radio frequency user(s) operate and continue to operate within their respective frequencies and in accordance with all applicable laws and regulations, manufacturer's specifications, and standards.

(b) Notwithstanding the above, Lessor will not grant or permit, after the date of this Agreement, a lease, license or any other right to any third party for the use of the Property, if such use may in any way adversely affect or interfere with the Communication Facility, the operations of Lessee or the rights of Lessee under this Agreement.

(c) Lessor will not use, nor will Lessor permit its employees, lessees, licensees, invitees, agents or independent contractors to use, any portion of the Property in any way which interferes with the Communication Facility, the operations of Lessee or the rights of Lessee under this Agreement. Lessor will cause such interference to cease within seventy-two (72) hours after receipt of notice of interference from Lessee.

(d) For the purposes of this provision, "interference" may include, but is not limited to, any use on the Property that causes electronic, physical or obstruction interference with, or degradation of, the communications signals to and/or from the Communication Facility.

15. INDEMNIFICATION.

(a) Lessee agrees to indemnify, defend and hold Lessor harmless from and against any and all injury, loss, damage or liability (or any claims in respect of the foregoing), costs or expenses (including reasonable attorneys' fees and court costs) arising directly from the installation, use, maintenance, repair or removal of the Communication Facility or Lessee's breach of any provision of this Agreement, except to the extent attributable to the negligent or intentional act or omission of Lessor, its employees, agents or independent contractors.

(b) Lessor agrees to indemnify, defend and hold Lessee harmless from and against any and all injury, loss, damage or liability (or any claims in respect of the foregoing), costs or expenses (including reasonable

attorneys' fees and court costs) arising directly from the actions or failure to act of Lessor, its employees or agents, or Lessor's breach of any provision of this Agreement, except to the extent attributable to the negligent or intentional act or omission of Lessee, its employees, agents or independent contractors.

16. WARRANTIES.

(a) Lessee and Lessor each acknowledge and represent that it is duly organized, validly existing and in good standing and has the right, power and authority to enter into this Agreement and bind itself hereto through the party set forth as signatory for the party below.

(b) Lessor represents, warrants and agrees that: (i) Lessor solely owns the Property as a legal lot in fee simple, and Lessor solely owns the Structure; (ii) the Property is not and will not be encumbered by any liens, restrictions, mortgages, covenants, conditions, easements, leases, or any other agreements of record or not of record, which would adversely affect Lessee's Permitted Use and enjoyment of the Premises under this Agreement; (iii) as long as Lessee is not in default then Lessor grants to Lessee sole, actual, quiet and peaceful use, enjoyment and possession of the Premises; (iv) Lessor's execution and performance of this Agreement will not violate any laws, ordinances, covenants or the provisions of any mortgage, lease or other agreement binding on Lessor; (v) Lessor has obtained all consents and approvals necessary to enter into this Agreement and to grant Lessee the rights hereunder; and (vi) if the Property is or becomes encumbered by a deed to secure a debt, mortgage or other security interest, Lessor will provide promptly to Lessee a mutually agreeable subordination, non-disturbance and attornment agreement, substantially in the form attached hereto as Exhibit 2.

(c) **LESSEE MAKES NO EXPRESS WARRANTY REGARDING THE COMMUNICATION FACILITY, OR ANY PORTION THEREOF, AND LESSEE DISCLAIMS ANY IMPLIED WARRANTY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS THEREFOR.**

17. ENVIRONMENTAL.

(a) Lessor represents and warrants, except as may be identified in Exhibit 3 attached to this Agreement, (i) the Property, as of the date of this Agreement, is free of hazardous substances, including asbestos-containing materials and lead paint, and (ii) the Property has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation. Lessor and Lessee agree that each will be responsible for compliance with any and all applicable governmental laws, rules, statutes, regulations, codes, ordinances, or principles of common law regulating or imposing standards of liability or standards of conduct with regard to protection of the environment or worker health and safety, as may now or at any time hereafter be in effect, to the extent such apply to that party's activity conducted in or on the Property.

(b) Lessor and Lessee agree to hold harmless and indemnify the other from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of the indemnifying party, for payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding ("Claims"), to the extent arising from that party's breach of its obligations under Section 12(a). In addition, Lessor agrees to hold harmless and indemnify Lessee from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of Lessor, for payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any Claims, to the extent arising from subsurface or other contamination of the Property with hazardous substances prior to the effective date of this Agreement, and thereafter throughout the Term for Lessor's acts and omissions related to hazardous substances. Lessee agrees to hold harmless and indemnify Lessor from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of Lessee, for payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any Claims, to the extent arising from hazardous substances brought onto the Property by Lessee.

(c) The indemnifications of this Section 12 specifically include reasonable costs, expenses and fees incurred in connection with any investigation of Property conditions or any clean-up, remediation, removal or restoration work required by any governmental authority. The provisions of this Section 12 will survive the expiration or termination of this Agreement.

(d) In the event Lessee becomes aware of any hazardous materials on the Property, or any environmental, health or safety condition or matter relating to the Property, that, in Lessee's sole determination, renders the condition of the Premises or Property unsuitable for Lessee's use, or if Lessee believes that the leasing or continued leasing of the Premises would expose Lessee to undue risks of liability to a government agency or third

party, Lessee will have the right, in addition to any other rights it may have at law or in equity, to terminate this Agreement upon written notice to Lessor.

18. REMOVAL/RESTORATION. All portions of the Communication Facility brought onto the Property by Lessee will be and remain Lessee's personal property, regardless of whether any portion is deemed real or personal property under applicable law. Lessor covenants and agrees that no part of the Communication Facility constructed, erected or placed on the Premises by Lessee will become, or be considered as being affixed to or a part of, the Property, it being the specific intention of Lessor that all improvements of every kind and nature constructed, erected or placed by Lessee on the Premises will be and remain the property of Lessee. Within one hundred twenty (120) days after the termination of this Agreement, Lessee ~~will~~^{will} ~~may~~^[eml] remove all of Lessee's above-ground improvements and Systems (or assign same to Lessor) unless otherwise agreed to in writing by Lessor and Lessee will, to the extent reasonable, restore the remainder of the Premises to its condition at the commencement of this Agreement, reasonable wear and tear and loss by casualty or other causes beyond Lessee's control excepted.

19. MAINTENANCE/UTILITIES.

(a) Lessee will keep and maintain the Premises in good condition, reasonable wear and tear and damage from the elements excepted. Lessor will maintain and repair the Property and access thereto and all areas of the Premises where Lessee does not have exclusive control, in good and leasable condition, subject to reasonable wear and tear and damage from the elements.

(b) Lessor will fully cooperate with any utility company requesting an easement over, under and across the Property in order for the utility company to provide such other service to Lessee as Lessee may require in furtherance of the Permitted Use. Lessee shall be responsible for ordering separate utility services which Lessee may require from time to time for the use and operation of its Communication Facility, and maintaining such services during the Term at Lessee's sole expense. By specific agreement between Lessor and Lessee, Lessee shall be responsible for the cost of bringing the T-1 and/or such other telephone service from the main (or minimum) point of entry ("MPOE") on the Property to the Equipment Space [JB2] or such other location comprising a portion of the Premises as Lessee shall have the right to designate for the installation and operation of Lessee's Communication Facility.

20. DEFAULT AND RIGHT TO CURE.

(a) The following will be deemed a default by Lessee and a breach of this Agreement: (i) non-payment of Rent if such Rent remains unpaid for more than thirty (30) days after receipt of written notice from Lessor of such failure to pay; or (ii) Lessee's failure to perform any other term or condition under this Agreement within thirty (30) days after receipt of written notice from Lessor specifying the failure. No such failure, however, will be deemed to exist if Lessee has commenced to cure such default within such period and provided that such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Lessee. If Lessee remains in default beyond any applicable cure period, Lessor will have the right to exercise any and all rights and remedies available to it under law and/or equity.

(b) The following will be deemed a default by Lessor and a breach of this Agreement: (i) Lessor's failure to perform any term, condition or breach of any warranty or covenant under this Agreement within thirty (30) days after receipt of written notice from Lessee specifying the failure. No such failure, however, will be deemed to exist if Lessor has commenced to cure the default within such period and provided such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Lessor. If Lessor remains in default beyond any applicable cure period, Lessee will have: (x) the right to cure Lessor's default and to deduct the costs of such cure from any monies due to Lessor from Lessee, and (y) any and all other rights available to it under law and/or equity.

21. ASSIGNMENT/SUBLEASE. Lessee shall have the right to sublease the Systems, in whole or in part, to Carriers at a reasonable market rate ~~(to be determined in concert with SMG)~~ in accordance with Section 3(b) of this Agreement. Lessee would be entitled to reimbursement for all specific System related construction costs and any

maintenance expenses from each Subleasee. SMG will negotiate the rent and contract directly with each Subleasee. The required Subleasee's rent will then be paid directly to SMG by each Subleasee. [em3]

22. NOTICES.

(a) All notices, requests, demands and communications hereunder will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notices will be addressed to the parties as follows:

If to Lessee:

If to Lessor: SMG
[]
[]

Either party hereto may change the place for the giving of notice to it by thirty (30) days prior written notice to the other as provided herein.

23. CONDEMNATION. In the event Lessor receives notification of any condemnation proceedings affecting the Property, Lessor will provide notice of the proceeding to Lessee within seventy-two (72) hours. If a condemning authority takes all of the Property, or a portion sufficient, in Lessee's sole determination, to render the Premises unsuitable for Lessee, this Agreement will terminate as of the date the title vests in the condemning authority. The parties will each be entitled to pursue their own separate awards in the condemnation proceeds, which for Lessee will include, where applicable, the value of its Communication Facility, moving expenses, prepaid Rent, and business dislocation expenses. Lessee will be entitled to reimbursement for any prepaid Rent on a prorata basis.

24. CASUALTY. Lessor will provide notice to Lessee of any casualty or other harm affecting the Property within seventy-two (72) hours of the casualty or other harm. If any part of the Communication Facility or Property is damaged by casualty or other harm as to render the Premises unsuitable, in Lessee's sole determination, then Lessee may terminate this Agreement by providing written notice to Lessor, which termination will be effective as of the date of such casualty or other harm. Upon such termination, Lessee will be entitled to collect all insurance proceeds payable to Lessee on account thereof and to be reimbursed for any prepaid Rent on a prorata basis. If Lessor or Lessee undertakes to rebuild or restore the Premises and/or the Communication Facility, as applicable, Lessor agrees to permit Lessee to place temporary transmission and reception facilities on the Property at no additional Rent until the reconstruction of the Premises and/or the Communication Facility is completed.

25. WAIVER OF LESSOR'S LIENS. Lessor waives any and all lien rights it may have, statutory or otherwise, concerning the Communication Facility or any portion thereof.

26. TAXES. Lessor shall be responsible for payment of all ad valorem taxes levied upon the lands, improvements and other property of Lessor. Lessee shall be responsible for all taxes levied upon Lessee's leasehold improvements on the Premises. Lessor shall provide Lessee with copies of all assessment notices on or including the Premises immediately upon receipt, along with sufficient written documentation detailing any assessment increases attributable to the leasehold improvements, but in no event later than thirty (30) days after receipt by Lessor. If Lessor fails to provide such notice within such time frame, Lessor shall be responsible for all increases in taxes for the year covered by the assessment, and all subsequent years to the extent (a) Lessor continues to fail in providing notice, and/or (b) Lessee is precluded from challenging such assessment with the appropriate government authorities.

27. MISCELLANEOUS.

(a) **Amendment/Waiver.** This Agreement cannot be amended, modified or revised unless done in writing and signed by Lessor and Lessee. No provision may be waived except in a writing signed by both parties. The failure by a party to enforce any provision of this Agreement or to require performance by the other party will not be construed to be a waiver, or in any way affect the right of either party to enforce such provision thereafter.

(b) **Limitation of Liability.** Except for the indemnity obligations set forth in this Agreement, and otherwise notwithstanding anything to the contrary in this Agreement, Lessee and Lessor each waives any claims that each may have against the other with respect to consequential, incidental or special damages, however caused, based on any theory of liability.

(c) **Bind and Benefit.** The terms and conditions contained in this Agreement will run with the Property and bind and inure to the benefit of the parties, their respective heirs, executors, administrators, successors and assigns.

(d) **Entire Agreement.** This Agreement and the exhibits attached hereto, all being a part hereof, constitute the entire agreement of the parties hereto and will supersede all prior offers, negotiations and agreements with respect to the subject matter of this Agreement.

(e) **Governing Law.** This Agreement will be governed by the laws of the state in which the Premises are located, without regard to conflicts of law.

(f) **Interpretation.** Unless otherwise specified, the following rules of construction and interpretation apply: (i) captions are for convenience and reference only and in no way define or limit the construction of the terms and conditions hereof; (ii) use of the term "including" will be interpreted to mean "including but not limited to"; (iii) whenever a party's consent is required under this Agreement, except as otherwise stated in the Agreement or as same may be duplicative, such consent will not be unreasonably withheld, conditioned or delayed; (iv) exhibits are an integral part of this Agreement and are incorporated by reference into this Agreement; (v) use of the terms "termination" or "expiration" are interchangeable; (vi) reference to a default will take into consideration any applicable notice, grace and cure periods; (vii) to the extent there is any issue with respect to any alleged, perceived or actual ambiguity in this Agreement, the ambiguity shall not be resolved on the basis of who drafted the Agreement; and (viii) the singular use of words includes the plural where appropriate.

(h) **Affiliates.** All references to "Lessee" shall be deemed to include any Affiliate of Lessee using the Premises for any Permitted Use or otherwise exercising the rights of Lessee pursuant to this Agreement. "Affiliate" means with respect to a party to this Agreement, any person or entity that (directly or indirectly) controls, is controlled by, or under common control with, that party. "Control" of a person or entity means the power (directly or indirectly) to direct the management or policies of that person or entity, whether through the ownership of voting securities, by contract, by agency or otherwise.

(i) **Survival.** Any provisions of this Agreement relating to indemnification shall survive the termination or expiration hereof. In addition, any terms and conditions contained in this Agreement that by their sense and context are intended to survive the termination or expiration of this Agreement shall so survive.

(j) **Sale of Property.** If Lessor, at any time during the Term of this Agreement, decides to rezone or sell, subdivide or otherwise transfer all or any part of the Premises, or all or any part of the Property or Surrounding Property, to a purchaser other than Lessee, Lessor shall promptly notify Lessee in writing, and such rezoning, sale, subdivision or transfer shall be subject to this Agreement and Lessee's rights hereunder.

(k) **W-9.** Lessor agrees to provide Lessee with a completed IRS Form W-9, or its equivalent, upon execution of this Agreement and at such other times as may be reasonably requested by Lessee.

(l) **No Electronic Signatures/No Option.** The submission of this Agreement to any party for examination or consideration does not constitute an offer, reservation of or option for the Premises based on the terms set forth herein. This Agreement will become effective as a binding Agreement only upon the handwritten legal execution, acknowledgment and delivery hereof by Lessor and Lessee.

(m) **Severability.** If any provision of this Agreement is held invalid, illegal or unenforceable by a court or agency of competent jurisdiction, (a) the validity, legality and enforceability of the remaining provisions of this Agreement are not affected or impaired in any way if the overall purpose of the Agreement is not rendered impossible and the original purpose, intent or consideration is not materially impaired; and (b) the parties shall negotiate in good faith in an attempt to agree to another provision (instead of the provision held to be invalid, illegal or unenforceable) that is valid, legal and enforceable and carries out the parties' intentions to the greatest lawful extent. If any such action or determination renders the overall performance of this Agreement impossible or materially impairs the original purpose, intent or consideration of this Agreement, and the parties are, despite the

good faith efforts of each, unable to amend this Agreement to retain the original purpose, intent and consideration in compliance with that court or agency determination, either party may terminate this Agreement upon sixty (60) days' prior written notice to the other party.

(n) **Counterparts.** This Agreement may be executed in two (2) or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties. All parties need not sign the same counterpart.

(o) **WAIVER OF JURY TRIAL. EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER ANY THEORY OF LIABILITY ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE TRANSACTIONS IT CONTEMPLATES.**

[SIGNATURES APPEAR ON THE NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be effective as of the last date written below.

"LESSOR"

SMG

By: _____
Print Name: _____
Its: _____
Date: _____

"LESSEE"

Concourse Communications Group, LLC

By: _____
Print Name: _____
Its: _____
Date: _____

[ACKNOWLEDGMENTS APPEAR ON THE NEXT PAGE]

LESSEE ACKNOWLEDGMENT

STATE OF _____)
) ss:
COUNTY OF _____)

On the ____ day of _____, 20__, before me personally appeared _____, and acknowledged under oath that he is the _____ of _____, the _____ named in the attached instrument, and as such was authorized to execute this instrument on behalf of the _____.

Notary Public: _____
My Commission Expires: _____

LESSOR ACKNOWLEDGMENT

STATE OF _____)
) ss:
COUNTY OF _____)

I CERTIFY that on _____, 20__, _____ personally came before me and this/these person(s) acknowledged under oath to my satisfaction, that:

- (a) this/these person(s) signed, sealed and delivered the attached document as _____ [title] of _____ [name of corporation] a corporation of the State of _____, which is a general partner of the partnership named in this document;
- (b) the proper corporate seal of said corporate general partner was affixed; and
- (c) this document was signed and delivered by the corporation as its voluntary act and deed as [a] general partner(s) on behalf of said partnership [by virtue of authority from its Board of Directors].

Notary Public: _____
My Commission Expires: _____

EXHIBIT 1

DESCRIPTION OF PREMISES

Page ____ of ____

The Premises are described and/or depicted as follows:



**Van Andel Arena®
DeVos Place®**

Memorandum

To: CAA Operations Committee
From: Jim Watt, Assistant General Manager
CC: Rich MacKeigan, Chris Machuta
Date: Sept. 30, 2014
Re: PERMANENT ADVERTISING DE VOS PLACE

SMG, working with DP Fox Sports, has been exploring the feasibility and opportunities associated with permanent advertising within DeVos Place. We've identified several areas and display methods to take advantage of permanent advertising revenue streams including wall mounted LCD displays, interactive LCD kiosks, existing directional LCD kiosks, and charging stations.

The initial cost for the wall displays is estimated in the area of \$500,000. We are estimating a payback period of 5 years on the investment. This falls within the 5 to 7 year ROI that SMG typically uses.

SMG is requesting permission to move forward with DP Fox Sports with a formal agreement and identify specific locations and sizes for the various units and more formal costs. It being understood SMG would then be requesting the CAA approve the capital funds necessary for the project.

**Grand Rapids-Kent County
Convention/Arena Authority
Consolidated Financial Report
August 31, 2014**

	Page
Dashboard	1
Summary by Facility	
Rolling Forecast	2
Year-to-Date Comparable	3
Van Andel Arena®	
Rolling Forecast	4
Year-to-Date Comparable	5
DeVos Place®	
Rolling Forecast	6
Year-to-Date Comparable	7
Administrative Accounts	
Year-to-Date Comparable	8



Financial Dashboard
Year-To-Date
August 31, 2014

Van Andel Arena®						
All Events				Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	0	4	3	0	4	3
Attendance	0	34,000	30,159	0	34,000	30,159
Event Income	\$ 2,429	\$ 297,292	\$ 396,632	\$ 0	\$ 297,292	\$ 396,632
DeVos Place®						
All Events				Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	40	43	51	19	28	33
Attendance	25,320	35,160	42,203	19,800	26,880	31,850
Event Income	\$ 441,962	\$ 568,579	\$ 497,468	\$ 338,997	\$ 434,448	\$ 386,809
Consolidated						
	Prior Year		Budget		Actual	
Operating Income	\$ (636,316)		\$ (505,744)		\$ (302,837)	
Capital/Repair/Replacement	(822,180)		(133,259)		(133,259)	
Net - Drawn on Fund Balance	\$ (1,458,496)		\$ (639,003)		\$ (436,096)	

Grand Rapids-Kent County Convention/Arena Authority
Summary by Facility/Other
Fiscal Year Ending June 30, 2015
August 31, 2014

	FY 2015			FY 2014
	7/1 - 8/31	9/1 - 6/30	Full-Year	Prior Year
	Year-to-Date	Roll	Estimate	Budget
Van Andel Arena				
Operating - Revenues	\$ 791,783	\$ 4,082,432	\$ 4,874,215	\$ 4,686,332
- Expenses - Facilities	(622,358)	(3,330,435)	(3,952,793)	(3,822,414)
- Base Management Fees	(28,040)	(142,217)	(170,257)	(168,828)
- Incentive Fee	-	-	-	-
Net Operating Income (Loss)	141,385	609,780	751,165	695,090
Parking	26,524	132,620	159,144	159,144
Pedestrian Safety	(2,778)	(84,876)	(87,654)	(78,756)
Net Proceeds (Cost) of VAA	165,131	657,524	822,655	775,478
DeVos Place Convention Center				
Operating - Revenues	502,138	5,203,804	5,705,942	5,960,457
- Expenses - Facilities	(866,160)	(4,969,394)	(5,835,554)	(6,100,245)
- Base Management Fees	(28,628)	(141,629)	(170,257)	(168,237)
- Incentive Fee	-	-	-	-
Net Operating Loss	(392,650)	92,781	(299,869)	(308,025)
Parking	21,775	794,225	816,000	807,768
Pedestrian Safety	(211)	(51,054)	(51,265)	(45,800)
Net Proceeds (Cost) of DVP	(371,086)	835,952	464,866	453,943
Other				
Revenues	76,548	93,452	170,000	162,652
Expenses	(173,430)	(578,086)	(751,516)	(633,576)
Net Other	(96,882)	(484,634)	(581,516)	(470,924)
Total Net Proceeds/Operating	(302,837)	1,008,842	706,005	758,497
Capital Expenditures				
Results Net of Capital Expenditures	(133,259)	(1,700,741)	(1,834,000) ⁽¹⁾	(2,505,465)
	\$ (436,096)	\$ (691,899)	\$ (1,127,995)	\$ (1,746,968)

Notes:

(1) Includes original budget (6/6/14), plus \$300,000 DeVos Performance Hall stage renovations (5/16/14), and \$144,000 of prior-year project carryovers (8/1/14).

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2015

	Annual			Year-To-Date		
	FY 2014 Final	FY 2015 Budget	Percentage Change	FY 2014 7/1 - 8/31	FY 2015 7/1 - 8/31	Percentage Change
Van Andel Arena						
Operating - Revenues	\$ 4,686,332	\$ 4,874,215	4.0	\$297,175	\$ 791,783	166.4
- Expenses - Facilities	(3,822,414)	(3,952,793)	3.4	(567,450)	(622,358)	(9.7)
- Base Management Fees	(168,828)	(170,257)	0.8	(27,544)	(28,040)	(1.8)
- Incentive Fee	-	-	-	-	-	-
Net Operating Income (Loss)	695,090	751,165	8.1	(297,819)	141,385	147.5
Parking	159,144	159,144	0.0	26,524	26,524	0.0
Pedestrian Safety	(78,756)	(87,654)	11.3	-	(2,778)	+100.0
Net Proceeds (Cost) of VAA	775,478	822,655	6.1	(271,295)	165,131	160.9
DeVos Place Convention Center						
Operating - Revenues	\$5,960,457	5,705,942	(4.3)	445,659	\$502,138	12.7
- Expenses - Facilities	(6,100,245)	(5,835,554)	(4.3)	(791,720)	(866,160)	(9.4)
- Base Management Fees	(168,237)	(170,257)	1.2	(27,544)	(28,628)	(3.9)
- Incentive Fee	-	-	-	-	-	-
Net Operating Loss	(308,025)	(299,869)	2.6	(373,605)	(392,650)	(5.1)
Parking	807,768	816,000	1.0	45,069	21,775	(51.7)
Pedestrian Safety	(45,800)	(51,265)	11.9	-	(211)	+100.0
Net Proceeds (Cost) of DVP	453,943	464,866	2.4	(328,536)	(371,086)	(13.0)
Other						
Revenues	162,652	170,000	4.5	7,663	76,548	1,999
Expenses	(633,576)	(751,516)	18.6	(44,148)	(173,430)	(392.8)
Net Other	(470,924)	(581,516)	(23.5)	(36,485)	(96,882)	(165.5)
Total Net Proceeds/Operating	758,497	706,005		(636,316)	(302,837)	
Capital Expenditures	(2,505,465)	(1,834,000)		(822,180)	(133,259)	
Results Net of Capital Expenditures	\$ (1,746,968)	\$ (1,127,995)		\$ (1,458,496)	\$ (436,096)	

VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2015

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	3	97	100	100	-
ATTENDANCE	30,159	545,841	576,000	576,000	-
DIRECT EVENT INCOME	165,468	961,113	1,126,581	1,126,581	-
ANCILLARY INCOME	122,519	1,111,990	1,234,509	1,234,509	-
TOTAL EVENT INCOME	287,987	2,073,103	2,361,090	2,361,090	-
TOTAL OTHER INCOME	503,796	2,009,329	2,513,125	2,513,125	-
TOTAL INCOME	791,783	4,082,432	4,874,215	4,874,215	-
INDIRECT EXPENSES					
EXECUTIVE	29,544	149,937	179,481	179,481	-
FINANCE	30,489	208,917	239,406	239,406	-
MARKETING	36,010	245,835	281,845	281,845	-
OPERATIONS	305,724	1,380,722	1,686,446	1,686,446	-
BOX OFFICE	10,379	137,914	148,293	148,293	-
LUXURY SEATING	9,329	86,905	96,234	96,234	-
SKYWALK ADMIN	3,321	16,639	19,960	19,960	-
OVERHEAD	225,601	1,245,784	1,471,385	1,471,385	-
TOTAL INDIRECT EXP.	650,398	3,472,653	4,123,050	4,123,050	-
NET REVENUE ABOVE EXPENSES	141,385	609,779	751,165	751,165	-
LESS INCENTIVE FEE		-	0	-	-
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	141,385	609,779	751,165	751,165	-

Comments:

The Arena continues the strong start to the fiscal year with a sold out Katy Perry show and should complete the first quarter of the fiscal year strong as compared to both budget and prior year.

Expenses, while up year to year, continue to hold with budget overall.

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED AUGUST 31, 2014**

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

MONTH	August Actual	August Budget	August FY 2014
Number of Events	1	1	0
Attendance	10,813	30,159	0
Direct Event Income	\$53,159	\$29,613	\$0
Ancillary Income	38,206	24,610	0
Other Event Income	42,808	20,100	2,429
Other Operating Income	183,994	157,431	144,680
Indirect Expenses	(333,790)	(343,587)	(288,578)
Net Income	(\$15,623)	(\$111,833)	(\$141,469)

YTD	YTD 2015 Actual	YTD 2015 Budget	YTD 2014 Prior Year
Number of Events	3	4	0
Attendance	30,159	34,000	0
Direct Event Income	\$165,468	\$118,452	\$0
Ancillary Income	122,519	98,440	0
Other Event Income	108,645	80,400	2,429
Other Operating Income	395,151	336,972	294,746
Indirect Expenses	(650,398)	(687,174)	(594,994)
Net Income	\$141,385	(\$52,910)	(\$297,819)

EVENT INCOME

Event income came in ahead of budget with the sold out Katy Perry show.

ANCILLARY INCOME

Ancillary income came in ahead of budget overall as F&B per caps for Katy Perry were stronger than anticipated.

INDIRECT EXPENSES

Indirect expenses came in at budgeted levels for the month.

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2015

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	51	456	507	507	-
ATTENDANCE	42,203	455,897	498,100	498,100	-
DIRECT EVENT REVENUE	258,457	2,702,993	2,961,450	2,961,450	-
ANCILLARY REVENUE	223,583	2,200,459	2,424,042	2,424,042	-
TOTAL EVENT REVENUE	482,040	4,903,452	5,385,492	5,385,492	-
TOTAL OTHER REVENUE	20,098	300,352	320,450	320,450	-
TOTAL OPERATING REVENUE	502,138	5,203,804	5,705,942	5,705,942	-
INDIRECT EXPENSES					
EXECUTIVE	23,763	170,336	194,099	194,099	-
FINANCE	37,709	213,826	251,535	251,535	-
MARKETING	13,128	99,572	112,700	112,700	-
OPERATIONS	260,486	1,298,098	1,558,584	1,558,584	-
EVENT SERVICES	132,497	935,370	1,067,867	1,067,867	-
BOX OFFICE	20,982	69,730	90,712	90,712	-
SALES	54,172	346,197	400,369	400,369	-
OVERHEAD	352,051	1,977,894	2,329,945	2,329,945	-
TOTAL OPERATING EXP.	894,788	5,111,023	6,005,811	6,005,811	-
NET REVENUE ABOVE EXPENSES	(392,650)	92,781	(299,869)	(299,869)	-
INCENTIVE FEE			0		-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(392,650)	92,781	(299,869)	(299,869)	-

Comments:

August continues a solid start to the fiscal year for DeVos Place as the overall bottomline performance remains fairly consistent with both budget and prior year.

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2015**

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

MONTH	August Actual	August Budget	August FY 2014
	20	20	21
Number of Events	25,361	14,920	18,705
Attendance	\$110,284	\$104,008	\$113,171
Direct Event Income	108,510	130,998	146,102
Ancillary Income	8,191	7,000	11,719
Other Event Income	1,444	2,666	1,748
Other Operating Income	(468,077)	(500,484)	(411,334)
Indirect Expenses	(\$239,648)	(\$255,812)	(\$138,594)
Net Income			

YTD	YTD 2015 Actual	YTD 2015 Budget	YTD 2014 Prior Year
	51	43	40
Number of Events	42,203	35,160	25,360
Attendance	\$258,457	\$246,592	\$173,755
Direct Event Income	223,583	307,987	250,688
Ancillary Income	15,428	14,000	17,519
Other Event Income	4,670	5,332	3,697
Other Operating Income	(894,788)	(1,000,968)	(819,264)
Indirect Expenses	(\$392,650)	(\$427,057)	(\$373,605)
Net Income			

EVENT INCOME

Direct event income performed very consistent with budget overall for the month.

ANCILLARY INCOME

Ancillary income fell a bit short of budget as audio/visual fell below normal averages seen. This was mostly due to the needs of the specific shows hosted during the month and should not be considered any sort of trend.

INDIRECT EXPENSES

Indirect expenses came in consistent with budget overall and trending in the range of both budget and prior year.

Grand Rapids-Kent County Convention/Arena Authority
Administrative Accounts
Net Proceeds Detail
Fiscal Trends for Year Ending June 30, 2015

	Annual			Year-to-Date		
	FY 2014 Final	FY 2015 Budget	Percentage Change	FY2014 7/1-8/31	FY 2015 7/1/-8/31	Percentage Change
Other						
Revenues						
Interest	\$ 80,589	\$ 80,000	(0.7)	\$ 7,663	\$ 8,245	7.6
Miscellaneous	82,063	90,000	9.7	-	68,303 ⁽¹⁾	+100.0
	<u>162,652</u>	<u>170,000</u>	<u>4.5</u>	<u>7,663</u>	<u>76,548</u>	<u>998.9</u>
Expenses						
Marketing (CVB/Sports)	125,000	125,000	-	-	50,000	+100.0
Diversity Initiative	123,958	125,000	0.8	5,276	8,385	58.9
Wages/Benefits	118,657	114,956	(3.1)	12,904	21,943	70.0
Marketing Campaign	-	75,000	100.0	-	-	-
Professional Services	57,846	56,000	(3.2)	1,395	1,933	38.5
DID Assessment	38,990	40,000	2.6	-	-	-
Food & Beverage Repairs	16,290	40,000	145.5	3,554	-	(100.0)
Consulting Services	82,112	31,060	(62.2)	-	-	-
Landscaping	16,487	30,000	82.0	-	3,516	+100.0
Procurement of Art	17,869	30,000	67.9	590	-	(100.0)
Insurance	23,775	24,500	3.0	19,401	18,500	(4.6)
Supplies/Other	12,592	60,000	376.5	1,028	69,153 ⁽¹⁾	6,726.9
	<u>633,576</u>	<u>751,516</u>	<u>18.6</u>	<u>44,148</u>	<u>173,430</u>	<u>392.8</u>
Net Proceeds - Operating	<u>\$ (470,924)</u>	<u>\$ (581,516)</u>	<u>(23.4)</u>	<u>\$ (36,485)</u>	<u>\$ (96,882)</u>	<u>(165.5)</u>

Notes:

⁽¹⁾ Includes \$68,303 of expense and grant reimbursements for the HUD grant infrastructure study.



VAN ANDEL ARENA

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED AUGUST 31, 2014**

PROUD HOME OF THE GRAND RAPIDS GRIFFINS – 2013 CALDER CUP CHAMPIONS



Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Joe Romano
Gary McAneney
John Szudzik
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2015

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	3	97	100	100	-
ATTENDANCE	30,159	545,841	576,000	576,000	-
DIRECT EVENT INCOME	165,468	961,113	1,126,581	1,126,581	-
ANCILLARY INCOME	122,519	1,111,990	1,234,509	1,234,509	-
TOTAL EVENT INCOME	287,987	2,073,103	2,361,090	2,361,090	-
TOTAL OTHER INCOME	503,796	2,009,329	2,513,125	2,513,125	-
TOTAL INCOME	791,783	4,082,432	4,874,215	4,874,215	-
INDIRECT EXPENSES					
EXECUTIVE	29,544	149,937	179,481	179,481	-
FINANCE	30,489	208,917	239,406	239,406	-
MARKETING	36,010	245,835	281,845	281,845	-
OPERATIONS	305,724	1,380,722	1,686,446	1,686,446	-
BOX OFFICE	10,379	137,914	148,293	148,293	-
LUXURY SEATING	9,329	86,905	96,234	96,234	-
SKYWALK ADMIN	3,321	16,639	19,960	19,960	-
OVERHEAD	225,601	1,245,784	1,471,385	1,471,385	-
TOTAL INDIRECT EXP.	650,398	3,472,653	4,123,050	4,123,050	-
NET REVENUE ABOVE EXPENSES	141,385	609,779	751,165	751,165	-
LESS INCENTIVE FEE		-	0	-	-
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	141,385	609,779	751,165	751,165	-

Comments:

The Arena continues the strong start to the fiscal year with a sold out Katy Perry show and should complete the first quarter of the fiscal year strong as compared to both budget and prior year.

Expenses, while up year to year, continue to hold with budget overall.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED AUGUST 31, 2014**

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

MONTH	August Actual	August Budget	August FY 2014
Number of Events	1	1	0
Attendance	10,813	30,159	0
Direct Event Income	\$53,159	\$29,613	\$0
Ancillary Income	38,206	24,610	0
Other Event Income	42,808	20,100	2,429
Other Operating Income	183,994	157,431	144,680
Indirect Expenses	(333,790)	(343,587)	(288,578)
Net Income	(\$15,623)	(\$111,833)	(\$141,469)

YTD	YTD 2015 Actual	YTD 2015 Budget	YTD 2014 Prior Year
Number of Events	3	4	0
Attendance	30,159	34,000	0
Direct Event Income	\$165,468	\$118,452	\$0
Ancillary Income	122,519	98,440	0
Other Event Income	108,645	80,400	2,429
Other Operating Income	395,151	336,972	294,746
Indirect Expenses	(650,398)	(687,174)	(594,994)
Net Income	\$141,385	(\$52,910)	(\$297,819)

EVENT INCOME

Event income came in ahead of budget with the sold out Katy Perry show.

ANCILLARY INCOME

Ancillary income came in ahead of budget overall as F&B per caps for Katy Perry were stronger than anticipated.

INDIRECT EXPENSES

Indirect expenses came in at budgeted levels for the month.

Van Andel Arena
Income Statement
For the Two Months Ending August 31, 2014

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$26,514	\$27,237	\$ (723)	\$0	\$119,111	\$108,948	\$ 10,163	\$0
Service Revenue	117,891	45,826	72,065	0	377,596	183,304	194,292	0
Service Expenses	(91,246)	(43,450)	(47,796)	0	(331,239)	(173,800)	(157,439)	0
Total Direct Event Income	53,159	29,613	23,546	0	165,468	118,452	47,016	0
Ancillary Income								
F&B Concession	24,825	19,530	5,295	0	90,239	78,120	12,119	0
F&B Catering	3,913	1,462	2,451	0	10,566	5,848	4,718	0
Novelty Sales	9,468	3,618	5,850	0	21,714	14,472	7,242	0
Total Ancillary Income	38,206	24,610	13,596	0	122,519	98,440	24,079	0
Other Event Income								
Ticket Rebates(Per Event)	42,808	20,100	22,708	2,429	108,645	80,400	28,245	2,429
Total Other Event Income	42,808	20,100	22,708	2,429	108,645	80,400	28,245	2,429
Total Event Income	134,173	74,323	59,850	2,429	396,632	297,292	99,340	2,429
Other Operating Income								
Luxury Box Agreements	126,092	101,347	24,745	91,307	281,386	224,804	56,582	183,709
Advertising	52,136	52,084	52	52,136	104,273	104,168	105	106,136
Other Income	5,766	4,000	1,766	1,237	9,492	8,000	1,492	4,901
Total Other Operating Income	183,994	157,431	26,563	144,680	395,151	336,972	58,179	294,746
Adjusted Gross Income	318,167	231,754	86,413	147,109	791,783	634,264	157,519	297,175
Operating Expenses								
Salaries and Wages	167,199	168,572	(1,373)	140,154	402,099	337,144	64,955	264,228
Payroll Taxes and Benefits	46,332	49,117	(2,785)	25,884	112,471	98,234	14,237	54,654
Labor Allocations to Events	(75,658)	(71,368)	(4,290)	(19,710)	(246,877)	(142,736)	(104,141)	(39,320)
Net Salaries and Benefits	137,873	146,321	(8,448)	146,328	267,693	292,642	(24,949)	279,562
Contracted Services	20,739	20,928	(189)	20,730	37,888	41,856	(3,968)	37,934
General and Administrative	44,374	22,535	21,839	24,702	67,525	45,070	22,455	56,878
Operations	15,212	6,800	8,412	302	16,685	13,600	3,085	3,453
Repair and Maintenance	16,739	20,674	(3,935)	19,736	39,673	41,348	(1,675)	42,963
Operational Supplies	13,522	15,417	(1,895)	10,539	41,416	30,834	10,582	20,978
Insurance	5,508	10,727	(5,219)	2,698	12,979	21,454	(8,475)	5,397
Utilities	65,803	85,997	(20,194)	49,771	138,499	171,994	(33,495)	120,285
SMG Management Fees	14,020	14,188	(168)	13,772	28,040	28,376	(336)	27,544
Total Operating Expenses	333,790	343,587	(9,797)	288,578	650,398	687,174	(36,776)	594,994
Net Income(Loss) From Operations	(15,623)	(111,833)	96,210	(141,469)	141,385	(52,910)	194,295	(297,819)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(15,623)	(111,833)	96,210	(141,469)	141,385	(52,910)	194,295	(297,819)

3

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the One Month Ended August 31, 2014

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show						
Sporting Event						
Concert	3	4	30,159	34,000	396,632	297,292
Team Home Games						
Other						
GRAND TOTALS	3	4	30,159	34,000	396,632	297,292
As Percentage of Overall						
Family Show	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sporting Event	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Concert	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Team Home Games	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Van Andel Arena
Balance Sheet
As of July 31, 2014**

ASSETS

Current Assets

Cash	6,817,619
Account Receivable	987,271
Prepaid Expenses	68,094

Total Current Assets		\$7,872,984
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Total Assets

\$7,872,984
=====

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	1,156,457
Accrued Expenses	472,019
Deferred Income	3,238,423
Advanced Ticket Sales & Deposits	3,442,383

Total Current Liabilities		\$8,309,282
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Other Liabilities

Equity

Funds Remitted to CAA	0
Expenses Paid Direct by CAA	128,919
Beginning Balance Equity	(706,602)
Current Year Equity	141,385

Total Equity		(\$436,298)
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Total Liabilities and Equity

\$7,872,984
=====

5

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of August 31, 2014

Current - Under 30 Days	
Food & Beverage	38,166
Ticketing	159,674
Merchandise	-
Permanent Advertising	568,530
DeVos Place	(398,864)
Operating	493,790
 Over 30 Days	 92,475
 Over 60 Days	 33,500
 Over 90 Days	
 Total Accounts Receivable	 987,271

6

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2015**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2014 Estimate
Net Revenue above Expenses	751,165	(299,869)	451,296	387,065
Benchmark ++			750,000	750,000
Excess	751,165	(299,869)	(298,704)	(362,935)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	167,741	167,741	343,540	336,474
Incentive Fee				
Revenue	4,874,215	5,705,942	10,580,157	10,646,789
Benchmark Revenue	5,000,000	4,400,000	9,400,000	9,300,000
Revenue Excess	(125,785)	1,305,942	1,180,157	1,346,789
Incentive Fee **	-	-	-	-
Total SMG Management Fee	167,741	167,741	343,540	336,474

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

++ If net revenues above expenses exceeds \$700,000, SMG is eligible for 75% of the incentive fee.

DEVOS PLACE

DE VOS PLACE

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED AUGUST 31, 2014**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Joe Romano

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2015

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	51	456	507	507	-
ATTENDANCE	42,203	455,897	498,100	498,100	-
DIRECT EVENT REVENUE	258,457	2,702,993	2,961,450	2,961,450	-
ANCILLARY REVENUE	223,583	2,200,459	2,424,042	2,424,042	-
TOTAL EVENT REVENUE	482,040	4,903,452	5,385,492	5,385,492	-
TOTAL OTHER REVENUE	20,098	300,352	320,450	320,450	-
TOTAL OPERATING REVENUE	502,138	5,203,804	5,705,942	5,705,942	-
INDIRECT EXPENSES					
EXECUTIVE	23,763	170,336	194,099	194,099	-
FINANCE	37,709	213,826	251,535	251,535	-
MARKETING	13,128	99,572	112,700	112,700	-
OPERATIONS	260,486	1,298,098	1,558,584	1,558,584	-
EVENT SERVICES	132,497	935,370	1,067,867	1,067,867	-
BOX OFFICE	20,982	69,730	90,712	90,712	-
SALES	54,172	346,197	400,369	400,369	-
OVERHEAD	352,051	1,977,894	2,329,945	2,329,945	-
TOTAL OPERATING EXP.	894,788	5,111,023	6,005,811	6,005,811	-
NET REVENUE ABOVE EXPENSES	(392,650)	92,781	(299,869)	(299,869)	-
INCENTIVE FEE			0		-
NET OPERATING REVENUE OVER OPERATING EXPENSES	(392,650)	92,781	(299,869)	(299,869)	-

Comments:

August continues a solid start to the fiscal year for DeVos Place as the overall bottomline performance remains fairly consistent with both budget and prior year.


General Manager


Finance Director

DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2015

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

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Other Event Income	8,191	7,000	11,719
Other Operating Income	1,444	2,666	1,748
Indirect Expenses	(468,077)	(500,484)	(411,334)
Net Income	(\$239,648)	(\$255,812)	(\$138,594)

YTD	YTD 2015 Actual	YTD 2015 Budget	YTD 2014 Prior Year
Number of Events	51	43	40
Attendance	42,203	35,160	25,360
Direct Event Income	\$258,457	\$246,592	\$173,755
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Other Event Income	15,428	14,000	17,519
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Net Income	(\$392,650)	(\$427,057)	(\$373,605)

EVENT INCOME

Direct event income performed very consistent with budget overall for the month.

ANCILLARY INCOME

Ancillary income fell a bit short of budget as audio/visual fell below normal averages seen. This was mostly due to the needs of the specific shows hosted during the month and should not be considered any sort of trend.

INDIRECT EXPENSES

Indirect expenses came in consistent with budget overall and trending in the range of both budget and prior year.

DeVos Place
Income Statement
For the Two Months Ending August 31, 2014

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$141,861	\$114,800	\$27,061	\$134,536	\$322,399	\$273,640	\$48,759	\$206,632
Service Revenue	61,067	66,008	(4,941)	43,111	148,110	141,262	6,848	83,998
Service Expenses	(92,644)	(76,800)	(15,844)	(64,476)	(212,052)	(168,310)	(43,742)	(116,875)
Total Direct Event Income	110,284	104,008	6,276	113,171	258,457	246,592	11,865	173,755
Ancillary Income								
F&B Concession	5,073	4,785	288	5,869	12,237	11,484	753	7,690
F&B Catering	44,683	51,244	(6,561)	46,132	91,313	110,496	(19,183)	84,887
Novelty Sales	0	425	(425)	0	1,102	850	252	0
Booth Cleaning	18,018	11,898	6,120	16,314	21,743	31,953	(10,210)	29,100
Telephone/Long Distance	225	0	225	450	225	0	225	788
Electrical Services	28,650	26,256	2,394	25,448	35,651	68,304	(32,653)	37,857
Audio Visual	1,676	23,222	(21,546)	31,663	27,766	53,658	(25,892)	63,527
Internet Services	3,575	5,740	(2,165)	14,056	18,150	14,850	3,300	18,244
Equipment Rental	6,610	7,428	(818)	6,170	15,396	16,392	(996)	8,595
Total Ancillary Income	108,510	130,998	(22,488)	146,102	223,583	307,987	(84,404)	250,688
Other Event Income								
Ticket Rebates(Per Event)	8,191	7,000	1,191	11,719	15,428	14,000	1,428	17,519
Total Other Event Income	8,191	7,000	1,191	11,719	15,428	14,000	1,428	17,519
Total Event Income	226,985	242,006	(15,021)	270,992	497,468	568,579	(71,111)	441,962
Other Operating Income								
Luxury Box Agreements	1,341	1,333	8	1,461	2,682	2,666	16	2,922
Other Income	103	1,333	(1,230)	287	1,988	2,666	(678)	775
Total Other Operating Income	1,444	2,666	(1,222)	1,748	4,670	5,332	(662)	3,697
Adjusted Gross Income	228,429	244,672	(16,243)	272,740	502,138	573,911	(71,773)	445,659
Operating Expenses								
Salaries and Wages	171,860	269,202	(97,342)	161,353	341,137	538,404	(197,267)	315,435
Payroll Taxes and Benefits	68,602	78,248	(9,646)	49,290	122,388	156,496	(34,108)	96,150
Labor Allocations to Events	(53,866)	(148,656)	94,790	(51,822)	(129,177)	(297,312)	168,135	(107,672)
Net Salaries and Benefits	186,596	198,794	(12,198)	158,821	334,348	397,588	(63,240)	303,913
Contracted Services	20,662	20,718	(56)	31,605	50,548	41,436	9,112	59,626
General and Administrative	17,569	28,110	(10,541)	18,348	38,398	56,220	(17,822)	45,285
Operations	10,429	9,960	469	3,988	39,312	19,920	19,392	8,819
Repair and Maintenance	58,175	41,350	16,825	37,842	99,877	82,700	17,177	70,452
Operational Supplies	6,420	20,975	(14,555)	1,499	15,044	41,950	(26,906)	12,998
Insurance	14,815	16,322	(1,507)	15,135	27,717	32,644	(4,927)	28,571
Utilities	138,802	150,067	(11,265)	130,324	260,916	300,134	(39,218)	262,056
SMG Management Fees	14,609	14,188	421	13,772	28,628	28,376	252	27,544
Total Operating Expenses	468,077	500,484	(32,407)	411,334	894,788	1,000,968	(106,180)	819,264
Net Income(Loss) From Operations	(239,648)	(255,812)	16,164	(138,594)	(392,650)	(427,057)	34,407	(373,605)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(239,648)	(255,812)	16,164	(138,594)	(392,650)	(427,057)	34,407	(373,605)

3

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the One Month ended August 31, 2014

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	33	28	31,850	26,880	386,809	434,448
Consumer/Gated Shows						
DeVos Performance Hall	5	2	3,528	2,500	28,561	35,600
Banquets	4	3	1,875	2,600	22,745	40,304
Meetings	6	6	2,150	2,100	46,000	38,082
Other	3	3	2,800	1,080	13,354	20,145
GRAND TOTALS	51	42	42,203	35,160	497,468	568,579

As Percentage of Overall

Convention/Trade Shows	64.71%	66.67%	75.47%	76.45%	77.76%	76.41%
Consumer/Gated Shows	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Devos Performance Hall	9.80%	4.76%	8.36%	7.11%	5.74%	6.26%
Ballroom Exclusive	7.84%	7.14%	4.44%	7.39%	4.57%	7.09%
Meetings	11.76%	14.29%	5.09%	5.97%	9.25%	6.70%
Other	5.88%	7.14%	6.63%	3.07%	2.68%	3.54%

**DeVos Place
Balance Sheet
As of August 31, 2014**

ASSETS

Current Assets

Cash	1,242,558
Account Receivable	948,740
Prepaid Expenses	43,905

Total Current Assets		\$2,235,203
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Total Assets

\$2,235,203

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	320,603
Accrued Expenses	426,778
Deferred Income	74,055
Advanced Ticket Sales & Deposits	902,490

Total Current Liabilities		\$1,723,926
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Other Liabilities

Equity

Funds Remitted to CAA	
Expenses Paid Direct by CAA	232,317
Beginning Balance Equity	671,611
Current Year Equity	(392,651)

Total Equity		\$511,277
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Total Liabilities and Equity		\$2,235,203
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5

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of August 31, 2014

Current - Under 30 Days	
Food & Beverage	49,791
Ticketing	-
Merchandise	-
Decorating	18,017
Audio/Visual	1,675
Van Andel Arena	401,400
Operating	335,291
 Over 30 Days	 31,513
 Over 60 Days	 111,053
 Over 90 Days	
 Total Accounts Receivable	 948,740

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2015**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2014 Estimate
Net Revenue above Expenses	751,165	(299,869)	451,296	387,065
Benchmark ++			750,000	750,000
Excess	751,165	(299,869)	(298,704)	(362,935)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	167,741	167,741	343,540	336,474
Incentive Fee				
Revenue	4,874,215	5,705,942	10,580,157	10,646,789
Benchmark Revenue	5,000,000	4,400,000	9,400,000	9,300,000
Revenue Excess	(125,785)	1,305,942	1,180,157	1,346,789
Incentive Fee **	-	-	-	-
Total SMG Management Fee	167,741	167,741	343,540	336,474

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

++ If net revenues above expenses exceeds \$700,000, SMG is eligible for 75% of the incentive fee.

DeVos Place - October 2014

DATE	EVENT
WED, OCT 1	2014 ANNUAL CONVENTION MI ASSOCIATION OF REALTORS
	RE/MAX OF MICHIGAN
	<i>JOSPEH AND THE AMAZING TECHICOLOR DREAM COAT</i>
THU, OCT 2	2014 ANNUAL CONVENTION MI ASSOCIATION OF REALTORS
	<i>JOSPEH AND THE AMAZING TECHICOLOR DREAM COAT</i>
FRI, OCT 3	2014 ANNUAL CONVENTION MI ASSOCIATION OF REALTORS
	BISHOP DISTRIBUTING ARTPRIZE SALES EVENT
	2014 ANNUAL FOOD SHOW GORDON FOOD SERVICE, INC.
	<i>JOSPEH AND THE AMAZING TECHICOLOR DREAM COAT</i>
SAT, OCT 4	2014 ANNUAL FOOD SHOW GORDON FOOD SERVICE, INC.
	<i>JOSPEH AND THE AMAZING TECHICOLOR DREAM COAT</i>
SUN, OCT 5	2014 ANNUAL FOOD SHOW GORDON FOOD SERVICE, INC.
	<i>JOSPEH AND THE AMAZING TECHICOLOR DREAM COAT</i>
MON, OCT 6	FOCUS ON LIFE DINNER
	2014 ANNUAL FOOD SHOW GORDON FOOD SERVICE, INC.
TUE, OCT 7	2014 ANNUAL FOOD SHOW GORDON FOOD SERVICE, INC.
	GFS GREAT LAKES DIVISION CUSTOMER RECEPTION
	GFS GREAT LAKES WEST CUSTOMER RECEPTION
	GRSO DYLANA'S SIBELIUS
WED, OCT 8	2014 ANNUAL FOOD SHOW GORDON FOOD SERVICE, INC.
	BETTY FORD BREAST CARE SERVICES EVENT
	GRSO DYLANA'S SIBELIUS
THU, OCT 9	2014 ANNUAL FOOD SHOW GORDON FOOD SERVICE, INC.
	APF FALL OPEN
	GRSO DYLANA'S SIBELIUS
FRI, OCT 10	APF FALL OPEN
	2014 CITY MANAGERS MEETINGS
	GRSO DYLANA'S SIBELIUS
SAT, OCT 11	APF FALL OPEN
	GRSO DYLANA'S SIBELIUS
SUN, OCT 12	TALENT ON PARADE
MON, OCT 13	GRCC 100TH ANNIVERSARY
TUE, OCT 14	GRCC 100TH ANNIVERSARY
	GRS Bravo Awards
WED, OCT 15	GRR CON '14
	GRS Bravo Awards
THU, OCT 16	GRR CON '14
	FORTUNE BUILDERS SEMINAR
FRI, OCT 17	GRR CON '14
	FORTUNE BUILDERS SEMINAR
SAT, OCT 18	AMWAY EMPLOYEE RECOGNITION BANQUET
	LIFE IN COLOR WORLD'S LARGEST PAINT PARTY
	FORTUNE BUILDERS SEMINAR

DeVos Place - October 2014

DATE	EVENT
	GRS SYMPHONIC BOOM I
SUN, OCT 19	SYSTEM LEADERSHIP CONFERENCE
	FORTUNE BUILDERS SEMINAR
MON, OCT 20	SOCIETY FOR FORENSIC TOXICOLOGISTS
	SYSTEM LEADERSHIP CONFERENCE
TUE, OCT 21	SOCIETY FOR FORENSICS TOXICOLOGISTS
	GVSU CAREER FAIR
	CONFIGURA CET DESIGNER USER
	GRSO COPLAND AND BRAHMS
WED, OCT 22	SOCIETY FOR FORENSICS TOXICOLOGISTS
	CONFIGURA CET DESIGNER USER
	GRSO COPLAND AND BRAHMS
THU, OCT 23	SOCIETY FOR FORENSICS TOXICOLOGISTS
	CONFIGURA CET DESIGNER USER
	NCEES ENGINEERING EXAMS
	GRSO COPLAND AND BRAHMS
FRI, OCT 24	FERRIS FUNDRAISING BANQUET
	NCEES ENGINEERING EXAMS
	GRSO COPLAND AND BRAHMS
SAT, OCT 25	WEST MICHIGAN WEDDING ASSOCIATION - FALL BRIDAL SHOW
	CLASS OF '94 REUNION - ROCKFORD HIGH SCHOOL
	NCEES ENGINEERING EXAMS
	GRSO COPLAND AND BRAHMS
SUN, OCT 26	WEST MICHIGAN WEDDING ASSOCIATION - FALL BRIDAL SHOW
	OGR CARMEN
MON, OCT 27	2014 ANNUAL SCHOLARSHIP DINNER – CALVIN COLLEGE
	OGR CARMEN
TUE, OCT 28	HPS 2014 ANNUAL TRADE SHOW
	MASA - MICHIGAN ASSOCIATION OF SCHOOL ADMINISTRATORS
	OGR CARMEN
WED, OCT 29	HPS 2014 ANNUAL TRADE SHOW
	MILLER JOHNSON - EMPLOYMENT LAW 2014
	PARTNER'S WORLDWIDE
	MASA
	OGR CARMEN
THU, OCT 30	PARTNER'S WORLDWIDE
	MILLER JOHNSON - EMPLOYMENT LAW 2014
	OGR CARMEN
FRI, OCT 31	PARTNER'S WORLDWIDE
	MOA 10TH ANNUAL AUTUMN SCIENTIFIC CONVENTION
	AMWAY NEW PLATINUM CONFERENCE
	OGR CARMEN

(Revised)

[illegible]