

**BERKS COUNTY CONVENTION CENTER AUTHORITY
MINUTES OF THE REGULAR MEETING OF
THURSDAY, JUNE 16, 2011**

The regular meeting of the Board of Directors (the "Board") of the Berks County Convention Center Authority (the "Authority") was called to order at 7:00 a.m. in the SMG Board Room, the Sovereign Center, 700 Penn Street, Reading, Pennsylvania.

The following members were present:

Mr. P. Michael Ehlerman
Mr. Michael Fiucci
Mr. John Ernesto
Mr. Carl Herbein
Mr. Burlee Adams
Mr. Albert Boscov
Mr. Brian D'Amico

The meeting was chaired by Mr. P. Michael Ehlerman.

Also present:

Mr. Zane Collings, SMG
Matthew Mayer, Esquire, Leisawitz Heller Abramowitch Phillips, P.C.
Ms. Hope Parkin, SMG
Mr. Matt Salkowski, SMG
Mr. Donald Spatz, Reading Eagle
Mr. Mark Wallace, Reading Royals
Ms. Stephanie Hackash, Reading Royals

The Chairman declared that a quorum was present and proceeded with the meeting.

There were no comments from the public.

Upon a motion duly made and seconded, the minutes of the regular meetings of the Board of December 16, 2010 and April 21, 2011 and the minutes of the special meeting of the Board of May 23, 2011 were unanimously approved.

TREASURER'S REPORT

Budget

Mr. Herbein distributed the proposed budget for the Authority for the Fiscal Year ending June 30, 2012, which included entries related to the Authority's purchase of a 50% membership interest in the Reading Royals for the sum of \$500,000. Mr. Herbein noted that the Authority is projecting and has budgeted for an increase in the hotel tax revenues of approximately 12%. Mr. Herbein pointed out that the budget contains a projected loss of \$150,000 for the Reading Royals, \$121,500 for the Convention Center and \$97,489 for SPAC. Finally, Mr. Herbein noted

that these projected losses would cut into the cash reserves of the Authority, but that the Authority had sufficient reserves to absorb these losses.

Upon a motion duly made and seconded, it was unanimously moved to approve the proposed budget.

Treasury Report

Mr. Herbein distributed and reviewed the two-month treasury report for the financials of April and May 2011. Mr. Herbein reviewed the opening and closing balances as well as the statements of account of the Authority. Mr. Herbein pointed out that as of May 31, 2011, the Authority had a cash balance of just over \$2,000,000.

Mr. Herbein commented that the hotel tax receipts for March and April had again increased over the 2010 figures. The hotel tax receipts were approximately \$96,000 and \$105,500 for March and April 2011, respectively.

Upon a motion duly made and seconded, it was unanimously moved to approve all the bills paid within the period and to pay all bills listed that had been unpaid during this period as well. Further, upon a motion duly made and seconded, the Treasurer's Report was approved.

Purchase of Interest in Reading Royals

Mr. Ehlerman discussed the status of the Authority's purchase of a 50% membership interest in the Reading Royals hockey team. The documents continue to be revised and closing is scheduled for July 1, 2011. Mr. Ehlerman advised Mr. Herbein to prepare for the \$500,000 wire and the establishment of the \$125,000 letter of credit prior to the closing date. Mr. Wallace reported that the East Coast Hockey League is meeting next week and this issue is scheduled to be discussed and all parties expect approval from the league by the end of next week.

Mr. Mayer circulated a resolution to all members of the Board approving the entry into the Membership Interest Purchase Agreement with AEG to purchase the 50% membership interest in the Reading Royals. All members reviewed and signed the resolution.

SOLICITOR'S REPORT

Mr. Mayer stated that there was no significant legal activity since the last meeting.

MANAGEMENT REPORT

Mr. Collings reported that the April and May financials for the Convention Center and SPAC were not completed yet, but based on the current status, he does not see much deviation from the projected losses of \$202,000 and \$68,000 for the Convention Center and SPAC, respectively.

Mr. Salkowski proceeded to address the status of capital improvements. SMG is in the process of re-evaluating proposals to repair the carpeting in SPAC and the fencing/posts at the Convention Center. Although trying to conserve funds, SMG is cognizant of the need to make these repairs for safety reasons as well.

Mr. Collings concluded his report by providing the Schedule of Events for the remainder of the calendar year. Mr. Collings noted that concert traffic and the number of events scheduled for the last six months of the calendar year has increased which is a promising trend. Mr. Collings reported that season ticket renewals for the Reading Royals is currently at 85% and that SMG continues to push these renewals and other fundraising/promotional programs to increase attendance at the Royals' games. Finally, Mr. Collings provided an update on the scheduling of events for the "10 Years of eXcellent Entertainment" celebration commemorating the 10th anniversary of the Convention Center.

NEW BUSINESS

There was no new business to be discussed.

There being no further business before the Board at the public session, the Chairman announced that the next regular meeting of the Board would be held at the Sovereign Center at 7:00 a.m., Thursday, August 18, 2011. At 8:10 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.