



*Worldwide Entertainment and
Conference Venue Management*

*Wes Westley
President & CEO*

Don Herz, Finance Director
City of Lincoln, Nebraska
555 South 10th Street
Lincoln, Nebraska 68508

Joan Ross, City Clerk
City of Lincoln, Nebraska
555 South 10th Street
Lincoln, Nebraska 68508

May 21, 2007

Dear Mr. Herz and Ms. Ross;

I am pleased to announce some exciting news concerning our future. Agreement has been reached whereby American Capital will acquire full ownership of SMG. American Capital is a publicly traded company (NASDAQ: ACAS), and together with its affiliated funds has \$11 billion in assets under management. American Capital invests in market leading companies with strong management teams and bright futures such as SMG, and looks to build value through investing in and growing the businesses it acquires. By enabling SMG to maintain and advance its market leadership position, all clients and employees will benefit.

American Capital is affiliated with other well known companies such as Piper Aircraft, Riddell Sporting Goods, and Bushnell Optical Products. Attached you will find some more detailed background information on American Capital and you may also review their website at www.americancapital.com

SMG will continue to operate as an independent stand-alone company with no changes in SMG's local or corporate management team. American Capital will not be involved in day-to-day management of the company. You will continue to receive the same high level of service from our organization that you have come to expect from SMG over the course of our relationship.

This letter also serves as formal notice to you of a change in the controlling ownership of SMG pursuant to the provisions of the Management Agreement, dated as of September 1, 2005, by and between City of Lincoln and SMG (the "Agreement") and a request that you execute and return the attached document in connection with this transaction.

Please feel free to contact me with any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Wes Westley".

Wes Westley

Stadiums ♦ Arenas ♦ Convention Centers ♦ Theaters