From the President

Maximizing Your Membership
by John LaBarge

I hope each one of you has found some time to relax and enjoy the summer. Last week, Marty and I made our annual trek to Traverse City. We love our four daughters immensely, but we always look forward to the week they go to camp and we head north. Not only does this time provide us with some much needed rest and relaxation, but it allows us the time to assess how we our doing spiritually, as a couple and as parents.

Although not nearly as important as these issues, I would like each of you to find some time during the remainder of the summer to assess how you are doing in utilizing your membership in CFMA. Are you just going through the motions, or are you truly maximizing your membership in CFMA? Please consider the following items if you decide you truly want more this year out of your association with CFMA:

- Make a commitment to attend all of the monthly chapter luncheons beginning in September. We have a great lineup of speakers and topics planned. Check them out at www.cfma-wmi.org and plug the dates into your calendar now. In addition, we...

cont’d on Page 2
are excited about our new, more accessible location, the Stonewater Grill.

- Make a commitment to join a roundtable group. These groups meet monthly October 2010 through May 2011 and consist of general contractors, subcontractors and associate members. These groups are a great way to foster deeper relationships with other CFMA members and allow you to confidentially seek creative solutions to business issues or problems.

- Consider serving on one of our four outstanding committees (Program, Membership, Promotion and Golf Outing). Again this is a tremendous networking opportunity and will allow you to serve your local chapter and provide leadership in a much needed area.

- Attend one of our CFMA social events.

- Bring a non-member to a CFMA event! Make it a point to tell them why you are a member of CFMA and why they should become one.

We have a great local chapter that as you know recently celebrated its 20th anniversary. The longevity of our chapter wouldn’t have been possible without a lot of past members being committed to maximizing their memberships each and every year. Please join me in maximizing your CFMA membership this year—it’s a decision you won’t regret!

*John LaBarge*

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**Promotion Committee Looking For More Members!**

The Promotion Committee is looking for a few more members. Our mission is to promote our chapter within the community. We also get to plan the fun social events like the Picnic Pops, Civic Theatre nights and our most recent Casino Night.

If you have ideas on how we can continue do this, please consider joining. We meet in person once a month September through May.

Please let any of the Promotion Committee members know of your interest: *Harriet Perdue, Rhonda Huismann, Ellen Zierleyn, Brandi Clark or Dave Smith*
Are you Missing Out?

As members of CFMA, we each have a lot of resources available to us. Many of these come from CFMA National via email. But, in order for you to receive these, you need to make sure your information on record at the National level is correct, including your email address.

You can do this by logging on to the website at www.cfma.org. If you have never registered, please do that first. If you have registered, you will need to know your username. If you’ve previously registered, but forgotten your password, you can fill out a form to have it emailed to you. Hope your email address is correct! If you need help, that is available via the website.

Another good reason to make sure your contact information is correct is that our committee chairs use the National site to collect email addresses for our members. We use this to keep you informed of upcoming events and more.

So please, take a minute now to make sure your information is up-to-date.

Thanks!

A synopsis of a four-hour course by Jeffrey S. Ammon

Rhonda Huismann suggested that I provide a synopsis of the four-hour course I taught at CFMA’s recent annual convention. The course included a 40-page outline, 74 PowerPoint slides, and over 100 pages of exhibits. So, what follows is only a sample of the course topics.

Who is the Owner?

Sometimes, owners will create shell entities to own the project. That means the general contractor will contract with an entity that has no assets. The simplest solution is to have the owner’s real business guarantee the entity’s obligations. This is important to determine before you sign the contract. You will rarely be able to get a guarantee after the contract is signed.

Owner’s Financial Capability

Both the AIA and ConsensusDocs forms give you rights to see the owner’s project finance information. But your rights are limited, and the ConsensusDocs forms give better protection than the AIA forms. Getting this information will not guarantee that you get paid, but it can give you useful information before a problem develops.
Is it a Public or Private Job?
Determining whether the owner is a public or private entity makes a significant difference in several ways. Construction liens, for example, are available for private jobs but not public jobs. Most states require payment and performance bonds for public jobs. You will need to investigate the bonds that have been obtained and the procedures for making a bond claim. Public versus private can also have a significant impact on who has authority to make changes to the contract. Must every change order be approved by the city commission at one of its regular monthly meetings? If so, that can delay a project significantly.

Purchase Orders Versus Subcontracts
Agreements to purchase materials are significantly different from subcontracts. For example, Michigan’s Uniform Commercial Code (UCC) governs material purchases but not construction contracts. The UCC heavily favors buyers on remedy and warranty issues, but tends to favor the supplier on payment issues. Make sure your subcontract and purchase order forms account for the differences.

Flow-Down Clauses (Incorporation by Reference)
Beware of broad, dragnet flow-down clauses. These incorporate entire contracts “by reference”. Both general contractors and subcontractors can benefit from a little extra time to identify the specific prime contract terms that should be imposed on the subcontractor. That specific approach will more readily identify conflicts and avoid disputes, particularly over payment issues and change order procedures.

Unknown Site Conditions: Who Bears the Risk?
The AIA forms put the contractor at risk by requiring the contractor to carefully study the documents, take field measurements and observe site conditions. The ConsensusDoc form shifts these burdens, but not completely. Coordinate the contract risk with your level of site inspection.

Pay-if-Paid/Pay-When-Paid Clauses
You should understand the difference: one is a condition precedent to payment, the other addresses only payment timing. Michigan will enforce these clauses if the language is specific enough. Some states make these clauses unenforceable. Both the AIA and ConsensusDoc forms have a pay-when-paid clause.

Indemnification
This may be the most misunderstood subject in construction contracts, but it does not have to be that way. Indemnification really means nothing more than “payment”. The critical issues include determining what events require payment, whether someone’s negligence is a trigger for payment, and whether payment is required where more than one party is negligent. Most importantly, you will want to make sure that your indemnification obligations are covered by insurance. Never sign an indemnification clause without first consulting your insurance advisor.

Change Orders and Claims
These two subjects are sometimes confused when a project encounters a difficulty. A claim seeks to enforce the existing agreement. A change order seeks to do the opposite, however: it seeks to change the existing agreement. Change orders can sometimes be a solution to a claim, but a claim is never a solution to a change order. And
remember, the terms of a written agreement can sometimes be changed by conduct of the parties. This is true even though the change is not written and even though the contract specifically states that amendments must be in writing.

**AIA Versus ConsensusDocs Contracts**

Throughout the course, including the topics discussed above, we observed how the AIA and ConsensusDocs approaches are often quite different. While the ConsensusDocs forms contain some clauses more favorable to subcontractors than the AIA approach, you can improve both contract forms with specific changes to fit your situation. These topics are only a few of the many construction contract topics we covered in the course. Thus, this article only touches the surface of what constructors need to know about the contracts they are negotiating and signing. For more information, please contact the author or any of Miller Johnson’s construction industry lawyers.

**Jeffrey S. Ammon** is a member of Miller Johnson, a West Michigan law firm with offices in Grand Rapids and Kalamazoo. He has advised construction industry clients for over 30 years. He has also personally constructed a tool shed, a tree house and a 200 foot zip line, all without injury or litigation.

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**CFMA Western Michigan Chapter Mission Statement**

As the source and resource of construction financial management in West Michigan, our Association unites individuals having financial responsibilities in the construction industry. We provide a forum through which the Association’s members can meet to network and exchange ideas. We promote and encourage leadership within the construction industry, as well as our Association. We develop and coordinate educational programs dedicated to the purpose of improving the professional standards of the industry and enhancing the value of construction financial managers to their respective companies.
Thanks to everyone who filled out the social events survey. The Promotion Committee will be taking your answers into consideration in our future planning. There was strong interest in attending the concert series at the Frederik Meijer Gardens so we will be looking into that for next season. Here are the results:

**CFMA West Michigan Chapter - Social Events Survey - June, 2010**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree &amp; Agree</th>
<th>Neutral</th>
<th>Disagree &amp; Strongly Disagree</th>
<th>total responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>I enjoy the opportunity to socialize with other CFMA members.</td>
<td>30</td>
<td>4</td>
<td>0</td>
<td>34</td>
</tr>
</tbody>
</table>

**Please indicate your interest in the following types of events**

<table>
<thead>
<tr>
<th>Event</th>
<th>Very &amp; Somewhat Interested</th>
<th>Neutral</th>
<th>Little or No Interest</th>
<th>total responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Circle Theatre (Aquinas College)</td>
<td>18</td>
<td>6</td>
<td>8</td>
<td>32</td>
</tr>
<tr>
<td>Frederik Meijer Gardens Summer Concert Series</td>
<td>27</td>
<td>5</td>
<td>2</td>
<td>34</td>
</tr>
<tr>
<td>Grand Rapids Civic Theatre</td>
<td>25</td>
<td>4</td>
<td>4</td>
<td>33</td>
</tr>
<tr>
<td>Grand Rapids Griffins game</td>
<td>14</td>
<td>11</td>
<td>7</td>
<td>32</td>
</tr>
<tr>
<td>Grand Rapids Symphony Picnic Pops</td>
<td>24</td>
<td>4</td>
<td>5</td>
<td>33</td>
</tr>
<tr>
<td>River City Improv</td>
<td>20</td>
<td>9</td>
<td>5</td>
<td>34</td>
</tr>
<tr>
<td>Spectrum Theatre (GRCC)</td>
<td>14</td>
<td>5</td>
<td>11</td>
<td>30</td>
</tr>
<tr>
<td>Van Singel Fine Arts Center</td>
<td>18</td>
<td>6</td>
<td>8</td>
<td>32</td>
</tr>
<tr>
<td>White Caps game</td>
<td>20</td>
<td>5</td>
<td>7</td>
<td>32</td>
</tr>
<tr>
<td>a planned dinner prior to an event</td>
<td>23</td>
<td>7</td>
<td>2</td>
<td>32</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>How important are the following factors in determining your likelihood of attending?</th>
<th>Very &amp; Somewhat Important</th>
<th>Neutral</th>
<th>Not Important or No Affect</th>
<th>total responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Price of the event</td>
<td>17</td>
<td>13</td>
<td>4</td>
<td>34</td>
</tr>
<tr>
<td>The Location of the event</td>
<td>18</td>
<td>13</td>
<td>3</td>
<td>34</td>
</tr>
<tr>
<td>The Day of the week</td>
<td>28</td>
<td>4</td>
<td>2</td>
<td>34</td>
</tr>
<tr>
<td>The Type of event</td>
<td>25</td>
<td>8</td>
<td>1</td>
<td>34</td>
</tr>
<tr>
<td>A Scheduling conflict</td>
<td>28</td>
<td>5</td>
<td>1</td>
<td>34</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>If we arrange a Picnic Pops night, which event(s) are you interested in attending?</th>
<th>Very &amp; Somewhat Interested</th>
<th>Neutral</th>
<th>Little or No Interest</th>
<th>total responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classical Fireworks (Friday 7/8)</td>
<td>16</td>
<td>7</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Big Bad Voodoo Daddy (Friday 7/16)</td>
<td>15</td>
<td>6</td>
<td>10</td>
<td>31</td>
</tr>
<tr>
<td>Motown’s Greatest Hits (Friday 7/23)</td>
<td>19</td>
<td>6</td>
<td>6</td>
<td>31</td>
</tr>
<tr>
<td>A Tribute to the Beatles (Friday 7/30)</td>
<td>22</td>
<td>4</td>
<td>4</td>
<td>30</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>If we arrange a Whitecaps event, which interests you?</th>
<th>Very &amp; Somewhat Interested</th>
<th>Neutral</th>
<th>Little or No Interest</th>
<th>total responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>a night with fireworks</td>
<td>20</td>
<td>10</td>
<td>3</td>
<td>33</td>
</tr>
<tr>
<td>an appearance by a former Detroit Tiger</td>
<td>11</td>
<td>15</td>
<td>6</td>
<td>32</td>
</tr>
<tr>
<td>both fireworks and Detroit Tiger appearance</td>
<td>15</td>
<td>13</td>
<td>5</td>
<td>33</td>
</tr>
<tr>
<td>lawn seating</td>
<td>4</td>
<td>16</td>
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<tr>
<td>reserved seating</td>
<td>15</td>
<td>12</td>
<td>3</td>
<td>30</td>
</tr>
<tr>
<td>a Friday</td>
<td>15</td>
<td>13</td>
<td>4</td>
<td>32</td>
</tr>
<tr>
<td>a Saturday</td>
<td>11</td>
<td>14</td>
<td>6</td>
<td>31</td>
</tr>
</tbody>
</table>
**20th ANNUAL CFMA AND ASPE GOLF OUTING**

**PROCEDURES USED TO FUND EDUCATION OF CFMA MEMBERS AND TO SEND A CFMA MEMBER TO THE NATIONAL CONVENTION**

**RESCHEDULED**

Please resubmit this registration form and check the box below if you have previously remitted payment.

**DATE:**  Wednesday, September 8, 2010  
**FORMAT:**  Scramble, with Special Contests  
**PLACE:**  Railside Golf Club (Byron Center Ave & 76th Street, Byron Center, Mich.).  **NOTE: SOFT SPIKES ONLY**  
**TIME:**  9:00 a.m. Shotgun Start, Registration at 8:15 a.m.  
**SOCIAL TIME:**  1:30 p.m.  
**Cookout Time:**  2:00 p.m.  
**HOSTS:**  Construction Financial Management Association and American Society of Professional Estimators  
**COST:**  $85.00 Per Person. (Includes Golf, Cart, Cookout and Door Prizes).

Call Jake at Rohde Construction, 698-0880, for Reservations; payment is required by Friday, September 3, 2010 to guarantee reservations. Register early to make this a successful outing.

We need golf and door prizes!!! If you or your company wish to provide a door prize, please indicate below. We need your support to make this a successful outing.

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**GOLFERS (GUESTS ARE WELCOME. IF YOU DO NOT HAVE A FOURSOME, WE WILL PAIR YOU UP)**

<table>
<thead>
<tr>
<th>NAME</th>
<th>COMPANY</th>
<th>MEMBER CFMA/ASPE</th>
<th>E-MAIL ADDRESS</th>
<th>TELEPHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DOOR PRIZES:**

- YES, count us in! Our firm will be glad to bring a door prize to the outing.
- YES, please purchase a gift from our firm for $_______. (You may add the amount to the golf and dinner charges above).

**Payment submitted with original application**

Number of persons attending golf and cookout $85) = $_____ + $______ = $______

(Door Prize)

Signed: ___________________________  Company: ___________________________

Please mail or Fax ((616) 698-1850) this form as soon as possible to: CFMA c/o Rohde Construction, 4087 Brockton SE Kentwood, Michigan 49512. **Make your check payable to CFMA.**
TEE SPONSORSHIPS AND RANGE
SPONSORSHIP AVAILABLE FOR
19th Annual CFMA and ASPE Golf Outing

CFMA and ASPE are once again offering members the opportunity to sponsor our annual golf outing to be held September 8, 2010 at Railside Golf Club.

TEE SPONSORSHIPS: The cost to sponsor a tee is $100. Signs will be placed at each tee, limiting the number of sponsorships to 18. The first 18 responses will be honored.

Please fill out the form below and return with your check to:

CFMA
C/O Jake Berzkalns
4087 Brockton SE
Kentwood, Michigan 49512

Or fax the form to (616) 698-1850

Yes! We are interested in sponsoring the 19th annual golf outing.

Tee Sponsor

Company Name: ____________________________

Contact Person: ____________________________

E-mail Address: ____________________________

Phone Number: ____________________________

Fax Number: ____________________________

Payment Enclosed:____ Yes ______ To Follow
recruit a member

Simply have new members that you recruit put your name in the reference line of the CFMA member application and you will receive a $50 MasterCard® gift card for each new member. There is no limit to how much you can earn.

grand prize winner
marv homan

Just ask Marv Homan from the Miami Valley Chapter, last year’s Member Get a Member Grand Prize Winner. Marv attended this year’s conference & exhibition in Kona, Hawaii including conference registration, air travel and hotel.

recruit the most new members

2009 winners

Just ask Marv Homan from the Miami Valley Chapter, last year’s Member Get a Member Grand Prize Winner. Marv attended this year’s conference & exhibition in Kona, Hawaii including conference registration, air travel and hotel.

chapter winners!

- Overall Most New Members
  Valley of the Sun
- Extra Large
  Dallas Ft. Worth
- Large
  San Diego
- Medium/Large
  South Central Louisiana
- Medium
  Miami Valley Ohio
- Small
  Tri-State Indiana

Chapters will also have a chance to win a complimentary registration to the 2011 CFMA Annual Conference & Exhibition at the Gaylord Texan near Dallas, Texas, on May 14-18, 2011. The chapter that recruits the most new members in each size category, will receive one complimentary conference registration as well.

First Place
$1,500
MasterCard® gift card

Second Place
$750
MasterCard® gift card

Third Place
$550
MasterCard® gift card

for a membership application and official contest rules visit www.cfma.org
Welcome to our newest member since our last issue of Extras!

Jon Siebers
Smith Haughey Rice & Roegge

Welcome to you, Jon!

If you have any questions about membership, please contact any Membership Committee member listed below:

• Todd Hanson
  Connect Resources
todd@connect-resources.com

• John D. Koscielniak, CPA
  Walburg & Associates, PC
  jkoscielniak@walburg.com

• Ann M. Plummer
  Beene Garter LLP
  aplummer@beenegarter.com

• Michael Poggi
  Pinnacle Insurance Partners
  mikep@pipgrmi.com

• Suzanne L. Strauss
  Great Lake Systems, Inc.
suzanne@glsroof.com

• Barbara Powlison
  Granger Group of Companies
  bpowlison@thegrangergroup.com

• Ken Bos
  Hylant Group
  ken.bos@hylant.com

• Thane Belen
  Aktion Associates Inc.
thelen@aktion.com

• Roger Tjoelker
  Feyen-Zylstra Electric, Inc.
  rogert@fzcorp.com

Membership Statistics
as of August 2010:

Chapter Membership Composite

<table>
<thead>
<tr>
<th></th>
<th>General Members</th>
<th>Associate Members</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60</td>
<td>41</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>59%</td>
<td>41%</td>
<td>100%</td>
</tr>
</tbody>
</table>
## General Membership Meetings

All meetings will be held at the Stonewater Country Club located at 7177 Kalamazoo Avenue SE in Caledonia, Michigan. Registration begins at 11:30 a.m., with lunch served at 12:00 p.m.

<table>
<thead>
<tr>
<th>Date</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 23, 2010</td>
<td>Political Update</td>
</tr>
<tr>
<td></td>
<td><strong>Speaker:</strong> Tim Skubick</td>
</tr>
<tr>
<td>October 28, 2010</td>
<td>Economic Update</td>
</tr>
<tr>
<td></td>
<td><strong>Speaker:</strong> George Bosnjak (The Right Place)</td>
</tr>
<tr>
<td>November 18, 2010</td>
<td>Multi-State/Nexus Tax Update</td>
</tr>
<tr>
<td></td>
<td><strong>Speaker:</strong> David Barrons (Beene Garter)</td>
</tr>
<tr>
<td>December 2010</td>
<td>No Meeting</td>
</tr>
<tr>
<td>January 27, 2011</td>
<td>Technology Update</td>
</tr>
<tr>
<td></td>
<td><strong>Speaker:</strong> Ken Julien (Plante Moran)</td>
</tr>
<tr>
<td>February 24, 2011</td>
<td>Sustainability/Triple Bottom Line</td>
</tr>
<tr>
<td></td>
<td><strong>Speaker:</strong> GVSU</td>
</tr>
<tr>
<td>March 24, 2011</td>
<td>Legal Issues in Using Social Networks</td>
</tr>
<tr>
<td></td>
<td><strong>Speaker:</strong> Nate Plantinga (Miller Johnson)</td>
</tr>
<tr>
<td>April 28, 2011</td>
<td>To be determined</td>
</tr>
<tr>
<td>May 26, 2011</td>
<td>To be determined</td>
</tr>
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