

FIRST AMENDMENT TO,  
CONSENT TO ASSIGNMENT AND RENEWAL OF  
MANAGEMENT AGREEMENT

GEORGE R. MOSCONE CONVENTION CENTER,  
BROOKS HALL AND CIVIC AUDITORIUM

THIS FIRST AMENDMENT TO AND CONSENT TO ASSIGNMENT OF MANAGEMENT AGREEMENT (this "Amendment") dated for reference purposes only as of December 20, 1993, is by and between SPECTACOR MANAGEMENT GROUP, a Pennsylvania General Partnership ("SMG") and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City").

RECITALS

WHEREAS, On November 6, 1990, the City and Facility Management Incorporated of California ("FMI"), predecessor in interest to SMG, entered into a Management Agreement (the "Agreement") with respect to the management of Brooks Hall, Civic Auditorium and Moscone Center Convention Center. All Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings given to them in the Agreement; and

WHEREAS, The term of the Agreement, as originally set forth therein, was for a 5-year period commencing July 1, 1990, and ending June 30, 1995; and

WHEREAS, On March 18, 1991, the City consented to the assignment of the Agreement from FMI to SMG; and

WHEREAS, The City has an option under Article 2 Section B of the Agreement to renew the Agreement for a new term of up to 5 years; and

WHEREAS, The City and SMG now desire to amend the Agreement to provide, among other matters, for the City to exercise its option to provide for a 5 year renewal term commencing July 1, 1994, and ending on June 30, 1999 ("the Renewed Agreement"), unless sooner terminated as provided in the Agreement; and

WHEREAS, SMG would like to assign its interest in the Agreement to Thigpen Limited, Incorporated, a California corporation ("Thigpen") and with Thigpen and SMG further assigning their interests in the Agreement to a joint venture;

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree to the following matters, including amendment of the Agreement as follows:

1. Consent to Assignment of Agreement. By its execution of this Amendment, City hereby consents to the assignment by SMG of a 25% interest in the Agreement to Thigpen and the further assignment by Thigpen and SMG of their respective interests in Moscone Center Joint Venture, a joint venture comprised of SMG and Thigpen. The City hereby further consents to delegation by Moscone Center Joint

Venture of any of its management obligations under the Agreement to SMG, Thigpen or a limited or general partnership whose partnership interest are wholly owned by SMG and Thigpen.

2. Amendments to Agreement and Renewed Agreement.

A. Parties. All references in the Agreement and the Renewed Agreement to FMI shall hereafter be amended to read as references to Manager.

B. Term. The first paragraph of Article 2, Section A of the Renewed Agreement (entitled "Term: Certification") is hereby amended in its entirety to read in full as follows:

Subject to annual certification of the Controller of the City and approval by resolution of the Board of Supervisors of the City in accordance with the terms of San Francisco Charter Section 8.300-1 and based on an operated budget(s) submitted by Manager ("Proposition J Certification"), the term of this Agreement shall be for a period of five (5) years, commencing at 12:01 a.m., July 1, 1994 and expiring at midnight June 30, 1999, unless sooner terminated as provided herein.

The provisions of Section B of Article 2 of the

Agreement shall continue to apply to the Renewed Agreement.

C. Fee. Article 3, Section A of the Agreement and the Renewed Agreement (entitled "Fee") is hereby amended in its entirety to read in full as follows:

For the period from July 1, 1990 through June 30, 1991, the fee shall be \$220,000. For each additional year of the term of this Agreement, from 1991/92 through 1998/99, the fee shall be increased by \$10,000 per year. Manager shall deliver an invoice to the City for the fee on a monthly basis. The City shall make a reasonable effort to pay the fee within thirty days of receipt of a monthly invoice.

D. Notice. Article 31 of the Agreement and the Renewed Agreement is hereby amended to provide that notices to Manager shall be delivered to the following address:

SMG  
Independence Center  
701 Market Street, Fourth Floor  
Philadelphia, PA 19106  
Attn: Thomas Gibson, C.E.O.

With copies to:

Richard H. Shaff  
747 Howard Street  
San Francisco, CA 94103

Leland, Parachini, Steinberg, Flinn, Matzger &  
Melnick  
333 Market Street, Suite 2700  
San Francisco, CA 94105  
Attn: David H. Melnick

Drinker, Biddle & Reath  
Philadelphia National Bank  
1345 Chestnut Street, 11th Floor  
Philadelphia, PA 19107  
Attn: Jack Dougherty

3. Miscellaneous

A. References. No reference to this Amendment is necessary in any instrument or document at any time referring to the Agreement. Any future reference to the Agreement shall be deemed a reference and such document as amended hereby.

B. No Other Amendments. Except as provided herein, the Agreement shall continue unmodified and remain in full force and effect.

C. Applicable Law. This Amendment shall be governed by, construed and enforced in accordance with the laws of the State of California.

D. Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this

Amendment.

The parties have duly executed this Amendment as of the respective dates written below.

SMG:

SPECTACOR MANAGEMENT GROUP

By: 

THOMAS R. GIBSON, PRESIDENT & CEO  
[Printed Name and Title]

Date: 2/25/94

CITY:

CITY AND COUNTY OF SAN FRANCIS-  
CO,  
a municipal corporation

By: 

Rudy Nothenberg  
Chief Administrative  
Officer

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
Louise H. Renne, City Attorney

By: 

Deputy City Attorney