

**FIRST AMENDMENT TO
MANAGEMENT AGREEMENT FOR THE
ORPHEUM, STATE AND PANTAGES THEATRES**

THIS AGREEMENT is made and entered into as of this ____ day of _____, 2003, by and between the MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY, a public body corporate and politic under Minnesota law (“Owner”), and HISTORIC THEATRE GROUP, LTD., a Minnesota corporation (“the Manager”).

WHEREAS, the Owner and the Manager did enter into that certain “Management Agreement for the Orpheum, State and Pantages Theatres, dated December 31, 2001” (the “Management Agreement”); and

WHEREAS, the Management Agreement provides at Section 1.28 “Selected Operating Expenses” shall mean, and be limited to, (a) Maintenance, Repair and Employee Costs as provided in Sections 4.1(a) and 4.1(b) hereof and subject to the limitations of 4.2(d) and 4.2(e) hereof; (b) utility expenses (gas, electricity, water, steam, chilled water, and local telephone services); (c) any assessments for maintenance and operating expenses made pursuant to the Declaration; (d) the acquisition of any new, non-Capital Expenditure equipment that costs up to and including \$10,000 for the Theatres that Owner and Manager agree may be used to generate additional revenues; (e) the Periodic Fixed Fee portion and the variable portion of the Management Fee paid pursuant to Section 5.1; and (f) Capital Expenditures other than as described in Section 4.1(b)(3). The Management Fee is not a Selected Operating Expense; and

WHEREAS, the Office of the State Auditor has determined, and the Owner and the Manager agree, that the sentence, “The Management Fee is not a Selected Operating Expense” found in Section 1.28 of the Agreement is redundant and contradictory; and

WHEREAS, the Owner and Manager wish to eliminate this redundancy and contradiction contained in Section 1.28 by eliminating the sentence, “The Management Fee is not a Selected Operating Expense.”

THEREFORE, the parties hereto agree to the following Amendment to the Agreement:

(1) Section 1.28 is restated in its entirety as follows:

1.28 “Selected Operating Expenses” shall mean, and be limited to: (a) Maintenance, Repair and Employee Costs as provided in Sections 4.1(a) and 4.1(b) hereof and subject to the limitations of 4.2(d) and 4.2(e) hereof; (b) utility expenses (gas, electricity, water, steam, chilled water, and local telephone services); (c) any assessments for maintenance and operating expenses made pursuant to the Declaration; (d) the acquisition of any new, non-Capital Expenditure equipment that costs up to and including \$10,000 for the Theatres that Owner and Manager agree may be used to generate additional revenues; (e) the Periodic Fixed Fee portion and the variable portion of the Management Fee

paid pursuant to Section 5.1; and (f) Capital Expenditures other than as described in Section 4.1(b)(3).

- (2) The remainder of the Agreement is restated and remains unchanged in its entirety.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement the day and year first above written.

MANAGER:
THE HISTORIC THEATER GROUP,
LTD.

OWNER:
MINNEAPOLIS COMMUNITY
DEVELOPMENT AGENCY

By _____
H. Fred Krohn
Its President

By _____
Charles T. Lutz
Its Deputy Executive Director

Approved as to form:

By _____
Assistant Development Counsel