

FIRST AMENDMENT TO OPERATION AGREEMENT

WHEREAS, the **CITY OF LAWRENCEVILLE, GEORGIA** (the “City”) and the **AURORA THEATRE, INC.** (the “Aurora Theatre”) did enter into an Operation Agreement dated July 23, 2021, for the operation of the Lawrenceville Arts Center, as defined in said Operation Agreement; and

WHEREAS, the parties desire to amend certain provisions of said Operation Agreement.

NOW THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree that the Operation Agreement is amended as follows:

Paragraph 2.b. is amended by deleting the original paragraph in its entirety and replacing it with the following:

- b. Five Year Business Plan: A strategic business plan that outlines in detail the approach of scheduling Aurora produced shows and booking of 3rd party rentals and events including projections on revenue and expenses related to the operation of the facility. This plan shall also include staffing requirements and shall be updated one year from the effective date of this Operation Agreement and at least once every two years thereafter. All reports and updates shall be provided to the City on a regular schedule to be developed and agreed upon by the parties. The first three-year strategic plan shall be submitted to the City on or before March 31, 2022. The Business Plan shall include proposals to utilize the following rentable spaces: 250-seat Strickland Family Mainstage, Peach State Federal Credit Union Studio, 500-seat Grand Stage Theatre, Morgan Cabaret, Kistner Gallery, Borders Rehearsal Hall, and the Outdoor Courtyard, and shall include plans for the accrual of capital accounts to fund expected capital expenditures. The first-year business plan shall be submitted to the City on or before April 15, 2022.

Paragraph 2.c. is amended by deleting the original paragraph in its entirety and replacing it with the following:

- c. Annual Marketing Plan of the Complex: A marketing plan that outlines how the Lawrenceville Arts Center including all rentable spaces located within the Premises will be marketed and booked. This plan shall include marketing regionally and locally to ensure maximizing the use of the facility in a manner that meets the goals and objectives for the Lawrenceville Arts Center. The parties agree that the goal of the parties is to have all rentable areas of the Lawrenceville Arts Center used as frequently as reasonably possible in a manner that will draw residents and visitors to the Downtown Lawrenceville Area, provide the community with exposure to a diverse assortment of quality fine arts, provide support for fine arts education at the K-12 level and the college level, and provide a welcoming community place for gathering. The Marketing Plan shall specifically list each space available for rental

within the Premises, proposed uses for each space, the maximum number of events anticipated per year in each space, and the anticipated revenue and expense from the rental of each space, The initial plan should provide rental and revenue projections for at least the first three years of operation and set forth how the Aurora Theatre anticipates obtaining use of or rental of all spaces at a minimum of seventy per cent (70%) occupancy of each space for each year, and how Aurora Theatre plans to increase this occupancy rate on a yearly basis, and how these rentals are accomplishing the goals for the use of the Lawrenceville Arts Center; provided, however, only sixty percent (60%) of occupancy of each space is required for the initial period beginning on the effective date of this Operation Agreement and ending on June 30, 2022. The Marketing Plan shall be submitted to the City on or before March 31, 2022 and shall be updated annually and provided to the City no later than July 1 of each year. For avoidance of doubt, year one shall commence on July 1, 2022, year two on July 1, 2023, and so on.

Paragraph 2.d. is amended by deleting the original paragraph in its entirety and replacing it with the following:

- d. Annual Market Analysis for rental rates: A market analysis shall be performed annually to ensure rental rates are in line with the regional and local market rates as appropriate. This analysis shall include a summary of the cost to operate the Premises, the revenue generated from current rental rates and an analysis of proposed profit and loss at proposed rental rates. The Market Analysis shall be submitted to the City on or before December 31, 2021 and shall be updated annually and provided to the City not later than July 1 of each year.

Paragraph 2.e. is amended by deleting the original paragraph in its entirety and replacing it with the following:

- e. Annual Maintenance Plan: A maintenance plan outlining how Aurora Theatre will manage the maintenance of the Premises. This Plan shall include normal maintenance items and anticipated periodic maintenance items. The Plan shall include anticipated expenditures for normal and periodic maintenance items and a reserve amount for unexpected maintenance items. The plan should also document service contracts maintained on all equipment and operating systems that are the responsibility of the Aurora Theatre under the terms of the Lease. The Annual Maintenance Plan shall be submitted to the City on or before February 28, 2022 and shall be updated annually and provided to the City not later than July 1 of each year.

Paragraph 2.f. is amended by deleting the original paragraph in its entirety and replacing it with the following:

- f. Security Plan: A Security Plan describing how security will be provided for all Aurora Uses and all Third Party Uses. This Plan shall describe the security requirements for each type of event, giving consideration to the number in

attendance, the type of event, whether the event will involve the sale or consumption of alcohol and other relevant factors. This Security Plan shall be submitted to the City on or before February 28, 2022, and shall be updated annually, include a report of any security issues that have arisen in the last year, and be provided to the City no later than July 1 of each year.

Paragraph 2.g. is amended by deleting the original paragraph in its entirety and replacing it with the following:

- g. Food and Beverage Plan: A Food and Beverage Plan describing how food and beverages will be provided for events to be conducted on the Premises. The plan should include how catering of events will be handled, the party or parties that will hold alcohol licenses, when alcohol will be permitted and how alcohol will be provided, and any areas where food and beverages will be restricted or prohibited. This Food and Beverage Plan shall be submitted to the City on or before February 28, 2022 and shall be updated annually and provided to the City not later than July 1 of each year.

Except as specifically amended herein, the remainder of the original Operation Agreement is hereby ratified and reaffirmed by the parties and shall remain in full force and effect with the only modification being the Amendment as set forth herein. This Amendment shall become effective upon the date approved by the last party as shown below.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Operation Agreement under their hands and seals, the day and year shown below.

CITY OF LAWRENCEVILLE, GEORGIA

Date: _____

BY: _____
Mayor David Still

ATTEST: _____
City Clerk

AURORA THEATRE, INC.

Date: _____

BY: _____

TITLE: _____

ATTEST:

BY: _____

TITLE: _____

Date: _____

Anthony Rodriquez

Date: _____

Ann-Carol Pence