

**SECOND AMENDATORY AGREEMENT**

**THIS SECOND AMENDATORY AGREEMENT** is made and entered into by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (the “City”), and **SMG**, formerly known as **SPECTACOR MANAGEMENT GROUP**, a Pennsylvania general partnership, whose address is 701 Market Street, 4<sup>th</sup> Floor, Philadelphia, PA 19106 (hereinafter referred to as “SMG”) (together, the “Parties”).

**WITNESSETH:**

**WHEREAS**, the City and SMG entered into an Agreement dated November 18, 2008, as amended by an Amendatory Agreement dated January 11, 2012, pursuant to which SMG provides the City stagehand staffing and payroll services as needed to various City venues and facilities (collectively, the “Agreement”); and

**WHEREAS**, the City and SMG wish to amend the payroll tax rates set forth in Exhibit B (SMG Stagehand Payroll Administrative Markup) to this Agreement to correspond to changes made in governing laws and regulations;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and obligations herein set forth, the Parties agree as follows:

1. Exhibit B to the Agreement is hereby deleted in its entirety and replaced with Exhibit B-1, attached hereto and incorporated herein. All references to “Exhibit B” in the Agreement are hereby amended to read “Exhibit B-1”.
  
2. As herein amended, the Agreement is affirmed and ratified in each and every particular.

08-1052-C

**Contract Control Number:** THTRS-CE93004-02

**Contractor Name:** SMG

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

**CITY AND COUNTY OF DENVER**

ATTEST:

By \_\_\_\_\_

\_\_\_\_\_

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

DOUGLAS J. FRIEDNASH, Attorney  
for the City and County of Denver

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_



Contract Control Number: THTRS-CE93004-02

Contractor Name: SMG

By: John F. Burns

Name: JOHN F BURNS  
(please print)

Title: CFO  
(please print)

ATTEST: [if required]

By: Gary McAnaney

Name: GARY McANEY  
(please print)

Title: VICE PRESIDENT FINANCE  
(please print)

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**EXHIBIT B-1  
SMG STAGEHAND PAYROLL ADMINISTRATIVE MARKUP**

Assumed Annual Stagehand Payroll **\$ 3,500,000**

<b>Statutory Payroll Taxes &amp; Other*</b>	<b>AMOUNT</b>	<b>% TOTAL PAYROLL</b>	<b>COMMENTS &amp; ASSUMPTIONS</b>
FICA	267,750	7.650%	
SUI (SUTA)	186,200	5.320%	
FUI (FUTA)	23,800	0.680%	
Workers Compensation	175,000	5.000%	
Medicare/OASDI	50,750	1.450%	
<b>Total Markup for Statutory Payroll Taxes &amp; Other</b>	<b>703,500</b>	<b>20.100%</b>	

\*The payroll tax rates stated herein are based upon current governing laws and regulations in place as of the date of the Second Amendatory Agreement. These rates shall be adjusted to match legally required minimum payroll tax rates, whether increase or decrease, without further amendment to this Exhibit or the Agreement.

<b>Total Mark-up for All Other Payroll Related Costs</b>	<b>AMOUNT</b>	<b>% TOTAL PAYROLL</b>	<b>COMMENTS &amp; ASSUMPTIONS</b>
Stagehand Pension and HW Benefits & House Head 401(k)	404,982	11.6%	SEE ASSUMPTIONS BELOW
Administrative Salaries and Related Expense	144,685	4.1%	SEE ASSUMPTIONS BELOW
Other General & Administrative Expense	74,120	2.1%	SEE ASSUMPTIONS BELOW
Profit	105,000	3.0%	
<b>Total % Markup for All Other Costs</b>	<b>\$ 728,787</b>	<b>20.8%</b>	
<b>Total Administrative Cost</b>	<b>\$ 1,432,287</b>	<b>40.9%</b>	

**ASSUMPTIONS:**

<b>Stagehand Pension &amp; HW Benefits</b>	<b>AMOUNT</b>	<b>% TOTAL PAYROLL</b>	
IATSE Membership Pension & HW	\$ 270,000	7.7%	
House Head Benefits	116,982	3.3%	12 FTE x \$ 9,748.47 /FTE = \$ 116,982
401k-House Heads	18,000	0.5%	
<b>Total Stagehand Pension &amp; HW Benefits</b>	<b>\$ 404,982</b>	<b>11.6%</b>	

<b>Administrative Salaries &amp; Related Expense</b>	<b>Salary</b>	<b>Benefits &amp; Related</b>	<b>AMOUNT</b>	<b>% TOTAL PAYROLL</b>
Production Manager	65,000	30,831	95,831	
Production Assistant	35,000	13,854	48,854	
<b>Total Administrative Salaries &amp; Related Expense</b>			<b>\$ 144,685</b>	<b>4.1%</b>

<b>General &amp; Administrative Expense</b>	<b>AMOUNT</b>	<b>% TOTAL PAYROLL</b>	
Time & Attendance	\$ 350.00	0.01%	
Processing Fees	20,800	0.6%	52 PRs x \$ 2.00 /PR x 200 FTE = \$ 20,800
Insurance	9,000	0.3%	
Audit	5,000	0.1%	
Letter of Credit Fee	5,000	0.1%	
Bonding	3,750	0.1%	
W-2 Reporting	\$ 2.80	0.00%	
Other Reports and Expense	750	0.02%	
Shipping & Handling	1,820	0.05%	52 PRs x \$ 35.00 /PR = 1,820
Office Supplies	1,000	0.03%	
Telephone/Fax	1,000	0.03%	
Unemployment Processing	600	0.02%	
New Hire Reporting	\$ 2.00	0.00%	
Computer/Microsoft	250	0.00%	
Badges	250	0.00%	
<b>Total General &amp; Administrative Expense</b>	<b>\$ 74,120</b>	<b>2.1%</b>	