

Exhibit A

BUSINESS TERMS – PROPOSED ICE RINK TRANSACTION

Agreement

1. City agrees to construct a new ice rink facility on City-owned land located between the flood control channel and the Southern California Edison (SCE) Right-of-Way) R.O.W., between Foothill Boulevard and Orange Grove Boulevard.
2. Proposed Ice Rink will consist of two ice rinks (hockey and figure skating) within an approximately 65,000 square foot structure.
3. City to consult with PISC during design and construction phases
4. Proposed Project and construction costs are estimated to be approximately \$10 million.
5. Construction costs will be financed by the City through issuance of Certificates of Participation (COP's) so long as the project remains economically feasible.
6. PCOC shall release PISC from obligation to restore existing facility to its original condition as described in the current lease agreement between PCOC and PISC, except as addressed in the Financing the Project section, below.
7. PISC agrees to vacate existing facility upon opening of new facility, and to terminate its existing lease with PCOC.

Management Agreement

1. PISC and City agree to enter into Management Agreement for the management of the new Ice Rink.
2. The term of the Management Agreement shall be 10 years. By mutual agreement of the parties, to the extent permitted by State and Federal laws, including Internal Revenue Service Regulations, this Management agreement may be extended.
3. PISC will be required to establish public benefit programs, including but not limited to making the ice rink facility available to area schools, Pasadena City College and other non profit organizations. PISC will coordinate the benefit program with the City's Human Services Department.

4. Furniture, fixtures, & equipment (FF&E) from the current ice rink may be used as back up equipment only, subject to the location where the equipment is able to be used (some office equipment, etc.). The existing refrigeration units, subject to relocation, may be used as a back up at the new facility. The existing resurfacing machine should only be used as a back up to a new machine that needs to be purchased.
5. PISC will manage the new facility for an annual "Management Fee" of \$100,000; the amount of this annual Management Fee will increase each year by the percentage change in the Consumer Price Index (CPI) – All Urban Consumers for the Los Angeles-Anaheim-Riverside, base period 1982-84=100. PISC will be entitled to receive a bonus payment, that do not total in excess of 20% of the Management Fee in any given year, commencing when the project gross revenues for the year exceed the Base Gross Revenues by 10%. The initial Base Gross Revenues shall be \$2,000,000. The Bonus Base shall be \$2,200,000 and will be adjusted annually by the percentage change in the CPI, on a compounded basis.
6. Included in the Management Agreement will be a list of Operating and Performance Standards (i.e. appearance of the building and facility, fiscal management, annual budget, management reporting, facility utilization, customer satisfaction) that PISC will be required to meet as well as those criteria that required to be met as part of the incentive portion of the Management Fee. PISC shall provide an initial budget to be mutually approved by the parties that will account for the first year startup of operations of the facility.
7. Provisions will be incorporated into the Management Agreement to provide for the City's right to terminate the Management Agreement with PISC should certain conditions, including those referenced in item "6" above, are not met. With respect to fiscal management, this would refer to reoccurring operating deficits subject to mutually agreed upon force majeure provisions.
8. All net income generated by the City for "Naming Rights" or advertising generated by the new project for exterior signage will go to the City. All net income generated by PISC for Interior advertising (within the facility) will go to the operating budget of the facility.

FINANCING THE PROJECT

1. PISC shall contribute the sum of \$350,000 towards the project. This includes a contribution from PISC of \$160,000 in costs associated with the termination of its current lease, and/or the restoration of the Ballroom to its pre-existing condition, with the balance going towards "fixturizing" the new facility. All other costs of constructing the new Ice Rink and relocating PISC from its current location shall be born by the City.
2. As PISC represents that it does not have the ability to borrow \$350,000 at feasible interest rates, the City will defer payment of these funds by PISC. The obligation of PISC to pay \$350,000 to the City will be evidenced by a promissory note and a loan agreement. PISC will be responsible for paying the City, along with interest assessed at a rate of 5.5% per annum, as follows:
 - a. During the term of this outstanding \$350,000 obligation, PISC will be paid sixty percent (60%) of the Management Fee. The withheld forty percent (40%) will be applied towards the repayment of this debt.
 - b. If and when the \$350,000, plus interest, is retired, the full amount of the Management Fee will be paid to PISC.
 - c. Should the Management Agreement expire, not be renewed, or be terminated prior to the complete repayment of the \$350,000, plus interest, PISC will no longer be obligated to repay this note.

OTHER PROPERTY DEVELOPMENT/ASSEMBLY ISSUES

1. City to acquire access easement from Foothill Boulevard across property owned by PCC and SCE.
2. The PCOC shall fund and the City shall pay the following preliminary estimated pre-development costs from PCOC funds (all costs are subject to actual amounts incurred):
 - a. Under grounding of SCE utilities - \$784,000
 - b. Removal of island medians and installation of traffic light - \$150,000
 - c. Consultant/professionnel services contracts - \$100,000
 - d. Environmental Mitigation - \$100,000
3. City to negotiate a license agreement with SCE to allow for the redesign and expansion of the proposed Eaton Wash Park. The annual license fee is included in the debt service for the project.
4. City to pay cost of constructing access across Edison to the ice rink facility.

Exhibit B

PASADENA ICE SKATING CENTER PERFORMANCE STANDARDS

APPEARANCE:

1. PISC shall be responsible for maintenance of the ice facility in a first class standard, equal to or better than the Health South Training Center facility in the City of Los Angeles. Such responsibility shall include retaining the services of a qualified maintenance company to keep the facility clear of litter.
2. Janitorial work including removal of all trash performed daily.
3. Graffiti is removed within one week of identification
4. Minor maintenance painting performed as required to maintain first class appearance.
5. Locker room facilities shall be maintained in a safe and sanitary manner daily.
6. Restaurant/Concession stand shall be maintained in a clean and sanitary manner.
7. Any and all damage to steps, railings, equipment etc. shall be repaired within two weeks of identification.
8. PISC shall insure parking that the parking area for the patrons of the ice facility shall be free of litter and maintained in a safe manner.

CONDITION OF BUILDING

1. Lighting inside and outside of the building shall be maintained at an appropriate level. Burned out bulbs and tubes shall be replaced within 48 hours of notification.
2. Mechanical problems associated with all ice making equipment shall be repaired within two weeks.
3. Repair and replacement of other equipment due to vandalism shall be repaired in a timely manner.
4. Serious malfunction of any system (i.e. Ventilation, generator, fire signal system, electrical etc.) to be repaired within 24 hours unless long lead parts are involved and in that case the repairs to be completed within 24 hours of receipt of the part.
5. Landscaping to be aesthetically appealing at all times. Improvements and corrective action will be completed within one week of inspection and notification
6. Revenue control equipment to within the ice facility shall function at optimum level.

FISCAL MANAGEMENT

1. Annual revenues will be maintained at a level not less than \$2 million except for the first year of operation.
2. PISC shall provide month end operating statements within 30 days of the calendar month that just ended.
3. PISC shall also provide quarterly and annual operating expenses.
4. Invoices from contractors are paid in a timely manner. 95% of the invoices are paid within 30 days.
5. Hire a 3rd party CPA firm (approved by the City) to conduct a financial audit of the ice facility on an annual basis.

SECURITY SERVICES

1. PISC shall provide security personnel to address any safety issues in the ice facility building including locker rooms, and parking area.
2. Security personnel shall be on the site during peak hours and at all special events.
3. Any major incident shall be reported to the appropriate City Department as soon as possible and within 2 hours for incidents involving health, welfare and life safety issues.
4. Security personnel shall maintain records of all incidents that occur within the building and parking area.
5. PISC shall prepare daily activity reports.
6. All staff is courteous, well trained and professional.

MANAGEMENT REPORTING

1. PISC shall provide month end management reports within 30 days of the calendar month that just ended.
2. Each monthly report shall include the following:
 - . Revenue and expense accounting with budget variance
 - . Total number of patrons daily to the ice facility.
 - . Total number of participants involved in all ice programs.
 - . Detailed report involving any security issues.
 - . Statistics for user agreements (including schools, number of adults, number of children, hockey organizations and special ice skating venues)
 - . Statistics for incident reports
 - . Conduct physical inspection monthly and complete inspection report; provide corrective actions.
 - . Submit a marketing plan to be developed 6 months prior to opening and updated on an annual basis.
 - . Submit an annual budget on or before specified date.

Exhibit C

PCOC Contribution

SCE Utility Under grounding	\$784,000
Island Median Removal & Traffic light	\$150,000
Consultant/professional services contract	\$100,000
Environmental Mitigation	\$100,000
Project Architect & Engineering	\$690,250
Other Eligible Capital Cost	\$175,750
Total	\$2,000,000

EXHIBIT D

PASADENA ICE SKATING CENTER

CITY OF PASADENA

**ESTIMATED OPERATING STATEMENT
WITH DEBT**

4.5% NON-TAXABLE "COP" ISSUE OF \$11,945,000 TO NET \$10,000,000
30 Year Amortization WITH 18 MONTHS OF Capitalized Interest
3% Mangement Fee & \$15,000 Land Lease Payment
No City Cash Contribution To Development/Construction Costs

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenues (3.5%)	2,000,000	2,070,000	2,142,450	2,217,436	2,295,046
Less Direct Expenses (4.0%)	-76,200	-81,225	-82,918	-84,306	-89,617
Gross Income	1,923,800	1,988,775	2,059,532	2,133,130	2,205,429
Less Operating Expenses*(4%)	-1,274,456	-1,276,556	-1,278,730	-1,280,979	-1,283,307
Net Operating Income	649,344	712,219	780,803	852,151	922,122
Less NET COP Debt Service (assumes 3% arbatrage on funds)	-711,317	-711,317	-711,317	-711,317	-711,317
Less Ground Lease(included in Oper Exp)	0	0	0	0	0
Net Cash Flow/Including Management Fee	-61,973	902	69,485	140,834	210,805
City Contribution**	0	0	0	0	0
Net Profit	-61,973	902	69,485	140,834	210,805
Annualized Profit Margin***	-3.10%	0.04%	3.24%	6.35%	9.19%
Debt Coverage Ratio	0.91	1.00	1.10	1.20	1.30
Management Fee Percentage	3.00%	3.00%	3.00%	3.00%	3.00%
Management Fee Paid	60,000	62,100	64,274	66,523	68,851
30 YEAR NET PROJECT INCOME	\$15,633,800				
30 YEAR NET PROJECT INCOME DISCOUNTED AT 6.5%	\$4,764,808				
Initial shortfall - first year	(\$61,973)				

EXHIBIT D

PASADENA ICE SKATING CENTER

CITY OF PASADENA

**ESTIMATED OPERATING STATEMENT
WITH DEBT**

Year 6	Year 7	Year 8	Year 9	Year 10	11	12	13	14	15	16	17	18
2,375,373	2,458,511	2,544,559	2,633,618	2,725,795	2,821,198	2,919,939	3,022,137	3,127,912	3,237,389	3,350,698	3,467,972	3,589,351
-93,202	-96,930	-100,807	-104,839	-109,033	-113,394	-117,930	-122,647	-127,553	-132,655	-137,961	-143,480	-149,219
2,282,171	2,361,581	2,443,752	2,528,779	2,616,762	2,707,803	2,802,010	2,899,490	3,000,359	3,104,734	3,212,736	3,324,492	3,440,132
-1,334,640	-1,388,025	-1,443,546	-1,501,288	-1,561,340	-1,623,793	-1,688,745	-1,756,295	-1,826,547	-1,899,608	-1,975,593	-2,054,616	-2,136,801
947,531	973,556	1,000,205	1,027,491	1,055,422	1,084,010	1,113,265	1,143,195	1,173,813	1,205,126	1,237,144	1,269,876	1,303,331
-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317
0	0	0	0	0	0	0	0	0	0	0	0	0
236,214	262,239	288,888	316,174	344,105	372,693	401,948	431,878	462,496	493,809	525,827	558,559	592,014
0	0	0	0	0	0	0	0	0	0	0	0	0
236,214	262,239	288,888	316,174	344,105	372,693	401,948	431,878	462,496	493,809	525,827	558,559	592,014
9.94%	10.67%	11.35%	12.01%	12.62%	13.21%	13.77%	14.29%	14.79%	15.25%	15.69%	16.11%	16.49%
1.33	1.37	1.41	1.44	1.48	1.52	1.57	1.61	1.65	1.69	1.74	1.79	1.83
3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
71,261	73,755	76,337	79,009	81,774	84,636	87,598	90,664	93,837	97,122	100,521	104,039	107,681

EXHIBIT D

PASADENA ICE SKATING CENTER

CITY OF PASADENA

**ESTIMATED OPERATING STATEMENT
WITH DEBT**

	19	20	21	22	23	24	25	26	27	28	29	30
	3,714,978	3,845,003	3,979,578	4,118,863	4,263,023	4,412,229	4,566,657	4,726,490	4,891,917	5,063,134	5,240,344	5,423,756
	-155,188	-161,395	-167,851	-174,565	-181,548	-188,810	-196,362	-204,216	-212,385	-220,880	-229,716	-238,904
	3,559,791	3,683,607	3,811,727	3,944,298	4,081,476	4,223,419	4,370,295	4,522,274	4,679,532	4,842,254	5,010,628	5,184,852
	-2,222,273	-2,311,164	-2,403,611	-2,499,755	-2,599,745	-2,703,735	-2,811,885	-2,924,360	-3,041,334	-3,162,988	-3,289,507	-3,421,087
	1,337,518	1,372,443	1,408,116	1,444,543	1,481,730	1,519,684	1,558,411	1,597,914	1,638,198	1,679,266	1,721,121	1,763,764
	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317	-711,317
	0	0	0	0	0	0	0	0	0	0	0	0
	626,201	661,126	696,799	733,226	770,413	808,367	847,094	886,597	926,881	967,949	1,009,804	1,052,447
	0	0	0	0	0	0	0	0	0	0	0	0
	626,201	661,126	696,799	733,226	770,413	808,367	847,094	886,597	926,881	967,949	1,009,804	1,052,447
	16.86%	17.19%	17.51%	17.80%	18.07%	18.32%	18.55%	18.76%	18.95%	19.12%	19.27%	19.40%
	1.88	1.93	1.98	2.03	2.08	2.14	2.19	2.25	2.30	2.36	2.42	2.48
	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	111,449	115,350	119,387	123,566	127,891	132,367	137,000	141,795	146,758	151,894	157,210	162,713

ATTACHMENT "A" - PASADENA ICE RINK FACILITY ARCHITECT SELECTION - EVALUATION TABLE

NO	FIRM NAME	Qualifications based on overall professional and practical exp.	Specific experience in design and construction of "state of the Art" recreational Ice Rink facility	Project implementation- approach, ability to perform, ability to complete project on time and in budget. Key personnel exp and availability	Proposed completion schedule for phase 1 and 2 and Scope of Work	Local	Small and Micro-business preference	Total
		maximum points 20	maximum points 30	maximum points 30	maximum points 10	maximum pts 5	maximum pts 5	maximum pts 100
1	Tolkin & Assoc. 41 W Bellevue Drive Pasadena, CA <i>In association with</i> Drezner Group 88 Battle Rd Princeton, NJ	13	22.5	20	7	5	5	72.5
2	PBWS 1040 Lincoln Ave. Pasadena, CA <i>In association with</i> MOA 1900 Wazee Street Denver, CO	15	25.5	25	7	5		77.5
3	The Albert Group* 3635 Hayden Ave Culver City, CA	17	27.5	29	7	3		83.5

* Currently certified as a small business enterprise by the State of California

ATTACHMENT "B"

THE ALBERT GROUP, Culver City

DISCIPLINE

CONSULTANTS

Civil Engineering

TMAD Engineers, Pasadena, CA

Structural Engineers

TMAD Engineers, Pasadena, CA

Mechanical/Plumbing/Engineers

TMAD Engineers, Pasadena, CA

Electrical/Lighting Engineer

REM Engineering Co., Inc., Pasadena, CA

Landscape Architect

Hirsch & Associates, Inc., Anaheim, Ca

Food Service

Laschober & Sovich, Woodland Hills, CA

Cost Estimating

Ronald Fedman, Irvine, CA

Ice Systems

Halco, Los Angeles, CA

PBWS/MOA, Pasadena/Denver, CO

Structural Engineers

KPFF, Santa Monica, CA

Mechanical/Plumbing/Engineers

TMAD Engineers, Pasadena, CA

Acoustics

Venaklasen Associates, Santa Monica, CA

Landscape Architect

Landshapes, Burbank, CA

Food Service

Commercial Kitchen Design, La Canada, CA

Cost Estimating

Cumming LLP, Rancho Cucamonga, CA

Ice Refrigeration

Pace Industrial, Canada

TOLKEN/DREZNER, Pasadena/Princeton, NJ

Structural Engineers

Brian L. Cochran Associates, Inc., Los Angeles, CA

Mechanical/Plumbing/Engineers

Donald F. Dickerson Associates, Van Nuys, CA

Electrical/Lighting Engineer

Kanwar & Associates, Culver City, CA

Ice Refrigeration

Commercial Refrigeration, Inc.
(address not provided, verified not local)

Acoustics

Rothermel Associates
(address not provided, verified not local)