

UCLA/ROSE BOWL NON-BINDING TERM SHEET

ATTACHMENT A

<p>1. Parties</p>	<p>The City of Pasadena and its agent, the Rose Bowl Operating Company (collectively, the "City"), and the Regents of the University of California, a California public corporation on behalf of the University of California, Los Angeles ("UCLA").</p>
<p>2. Purpose</p>	<p>The City, UCLA and the Tournament of Roses Association ("TOR") are discussing a proposed Rose Bowl Renovation Project (the "Project") which would renovate the Rose Bowl Stadium (the "Stadium") to meet the following strategic planning objectives:</p> <ol style="list-style-type: none"> 1. Improve Public Safety; 2. Enhance Fan Experience; 3. Maintain National Historic Landmark Status; 4. Develop Revenue Sources to Fund Long Term Improvements; and 5. Enhance Facility Operations. <p>The Project would be funded through (i) the issuance of bonds ("Bonds") by the City that would be repaid through a combination of revenue sources generated at the Stadium and through events held at the Stadium, and (ii) other funding sources. UCLA currently has entered into that certain Rose Bowl Agreement No. 18,414, as amended (the "Agreement"), with the City and would materially benefit from the improvements and intends to agree to make certain financial accommodations to assist with the completion of the Project. The City and UCLA desire to enter into a new amended and restated agreement (the "New Agreement"). This Term Sheet describes the material changes to be made to the provisions in the existing Agreement and the new material terms to be included in the New Agreement.</p>
<p>3. Cooperation</p>	<p>The parties acknowledge that cooperation is critical to the overall success of the Project and to the City's ability to meet annual debt service requirements. The parties intend to cooperate fully in order to achieve the mutual objective of providing the public, in person or through the media, with well-managed and well-presented events. The parties further agree to cooperate to maximize the revenue streams that are intended to meet the annual debt service requirements, including but not limited to full cooperation in publicizing and promoting the sales of the premium seating and</p>

	<p>lounge membership opportunities. The City, and/or its sales and marketing agents, shall cooperate with UCLA in developing a strategy regarding UCLA donors and customers. The parties will also cooperate in the design and execution of an effective media and public relations strategy regarding the Project.</p>
4. Term	<p>The New Agreement shall become effective upon execution, and certain terms (to be mutually agreed upon by all parties) shall become effective once the project is approved by City Council, the Regents of the University of California, and any other required governing body. The term shall expire following the 2042 UCLA football season.</p>
5. Complimentary Tickets	<p>UCLA shall provide the City with 50 tickets in addition to the current 300 tickets for a total of 350 tickets to each UCLA game at no charge.</p>
6. Premium Seating	<p>6.1 Following substantial completion, the City shall manage the Premium Seating inventory and its operations and marketing, and be entitled to collect and retain all of the revenue from the sale of Premium Seats (luxury seats, club seats and loge boxes).</p> <p>6.2 UCLA shall provide for the printing of all suite tickets and press box guest passes to the City at no charge. The form of suite tickets and press box guest passes shall be determined by UCLA.</p> <p>6.3 The City shall have the option to retain two (2) luxury suites at no charge.</p>
7. UCLA Premium Seating	<p>UCLA shall be provided with five (5) suites for UCLA events at no charge.</p>
8. T.V. Revenue	<p>UCLA shall retain all T.V. revenue after Substantial Completion of the Project.</p>

<p>9. Lounge Memberships - General</p>	<p>UCLA, in cooperation with the City or its agent, shall be responsible for the sales and marketing of the lounge memberships (defined as the Horizon Level Lounge and the Southwest, Northwest, and Northeast Field Level Lounges, if and when constructed) for UCLA events. Notwithstanding Item 10 below, pricing will be mutually agreed upon between UCLA and the City for UCLA events. The City, or its agent, in cooperation with UCLA, shall be responsible for the sales and marketing of the lounge memberships for other events. Pricing will be determined by the City, or its agent, for other events.</p> <p>Subject to Item 10 below, the net revenue from all lounge membership sales for UCLA events shall be split evenly between the City and UCLA. The first two hundred and fifty thousand dollars (\$250,000.00), escalating at 3 percent per year during the lease period, of UCLA's share of the total revenue shall be retained by UCLA. The remainder of UCLA's share of the total revenue (excepting therefrom any revenue which comes to UCLA in connection with the Southeast Field Lounge constructed by UCLA pursuant to the provisions of Item 10 below) shall then be made available to be pledged to the payment of debt service. There shall be an immediate recapture of the amount so pledged after debt service is paid each year from Surplus Revenue, as defined herein. To the extent that such recapture is not received to the level of UCLA's share of the total revenue in any year that was pledged to the payment of debt service in that year, the shortfall will be cumulated and the cumulated amount will be distributed as a matter of first recapture after debt service to UCLA as soon as Surplus Revenues are available to make such restitution during Term of Agreement. Any such deferred accumulating recapture will be accompanied by a payment equivalent to 3% per annum on the remaining unreimbursed amount. Any recapture of revenue during the term of the lease shall only be available from Surplus Revenue.</p>
<p>10. Lounge Memberships – Southeast Lounge</p>	<p>Notwithstanding Item 9 above, UCLA retains, for a period of ten years, commencing at the beginning of the third year after substantial completion of the Project, the option to provide for the construction of the Southeast Field Lounge at its expense, provided that the Project has met debt service for the preceding two years of operation prior to the exercise of this option. Should the project not have met debt service for those two preceding successive years, the option period will extend, so as to allow for a ten year period after such date as the project does meet debt service for two successive years of operation. The design is to be mutually agreed upon by the City and UCLA. In such case, UCLA shall establish</p>

	<p>pricing and retain legacy rights regarding donor and sponsor naming opportunities and/or exclusive advertising rights for the Southeast Field Lounge (such rights shall require coordination with ISP such that the ISP guarantee to the City is not reduced in any way). Also in such case, UCLA will retain all net revenue from the Southeast Field Lounge and pay all operational costs for all UCLA events, and net revenue achieved in connection with other events shall be split evenly between the City and UCLA.</p> <p>If UCLA exercises its option for the Southeast Field Lounge, UCLA shall be responsible for the sales and marketing of the memberships for UCLA events and shall determine pricing for the memberships. The City, or its agent, in cooperation with UCLA, shall be responsible for the sales and marketing of the lounge memberships for other events. Pricing will be determined by the City, or its agent, for other events.</p> <p>If city independently chooses to proceed with the building of the Southeast Field Lounge at its expense at any time prior to or during the ten year period, and properly notifies UCLA to that effect, UCLA then will retain a 60 day period during which UCLA can exercise its option. If UCLA fails to do so during that period, the City is free to proceed to build out the Southeast Field Lounge at its expense. In such case, the City will retain all net revenue from the Southeast Field Lounge for all other events and net revenue achieved in connection with UCLA events shall be split evenly between UCLA and the City.</p> <p>If the City independently chooses to proceed with the building of the Southeast Field Lounge, UCLA, in cooperation with the City or its agent, shall be responsible for the sales and marketing of the memberships for UCLA events. Pricing will be mutually agreed upon between UCLA and the City for UCLA events. The City, or its agent, in cooperation with UCLA, shall be responsible for the sales and marketing of the lounge memberships for other events. Pricing will be determined by the City, or its agent, for other events.</p>
11. Food/Beverage Concessions	Except for Area H where the City and UCLA will evenly split concession net revenue, the City shall retain all concession revenue after substantial completion of the stadium renovations. The City shall set all concession prices based upon the market prices for such (or similar) items at comparable venues located in comparable markets.
12. Emblematic	The net revenue generated from the sale of UCLA and, at UCLA events, Rose Bowl emblematic merchandise, shall continue to be

Merchandise	split equally.
13. Parking Surcharge	A \$5.00 surcharge, with \$1.00 increases every 5 years, will be imposed on each paid vehicle in City designated spaces. The \$5.00 surcharge, as increased, will be imposed on each occupied space in UCLA designated spaces. UCLA shall be provided with up to a maximum of 1,200 complimentary spaces per UCLA event that will not be subject to the surcharge. Parking for non-paid buses and handicap spaces will not be subject to the surcharge. The 1,200 exempt spaces are intended to accommodate event related staff, and donors that receive parking benefits as part of a larger donation package. Any surcharges collected will be remitted to the City.
14. Base Project Description	<u>Attachment A</u> contains a description of the material elements of the Project that are currently contemplated (the "Base Project"). It is estimated that the aggregate cost of the Project will be approximately \$151,900,000 and construction is expected to commence during 2011.
15. Priority Project Items	In the event that the proceeds from the sale of the Bonds and other sources exceed the estimated expenses for the Base Project, <u>Attachment B</u> lists the items to be added in order of priority.
16. Advertising Rights	Arrangements regarding advertising rights will be structured in a manner which fully protects UCLA's rights and capabilities in the context of UCLA's existing agreement with ISP, allowing for continuous operation on the current basis and anticipating appropriate growth. UCLA shall review the ISP agreement and work cooperatively with the City and ISP to reach a mutual acceptable agreement on commercial inventory and rights.
17. Seat Replacement (if applicable)	It is anticipated that new sideline seats will be installed but the type of seat is subject to the reasonable approval of TOR and UCLA. The seats shall not have a width in excess of 19" with arm-rests.

<p>18. Surplus Revenue Distribution</p>	<p>Once the Project is substantially completed, then any excess Surplus Revenue* will be allocated and distributed as follows:</p> <p>50% to City for Stadium Capital Repair, Replacement and Improvement Reserve which may be used in part to fund Priority Project Items as shown on Attachment B, and/or a Financing Reserve</p> <p>25% to UCLA 25% to TOR</p> <p>*Surplus Revenue is generally defined as revenue generated from sales of Premium Seating, lounge memberships, parking surcharge, capital maintenance user fee, advertising/sponsorship, concessions and other miscellaneous activities (meetings, banquets, etc.) less a \$4.1 million baseline (increasing annually by 3%). Specifically excluded from Surplus Revenue is revenue generated from BCS National Championship Games and interim NFL Games.</p>
<p>19. TOR Agreement</p>	<p>The parties understand that TOR must agree to amend its license agreement with the City in order for the Project to move forward and the City, concurrent herewith, is negotiating with TOR in that regard.</p>

Attachment A

Base Project Description

Concourse Improvements

- Site work (prepare concourse for new structures/ landscaping/ fencing/ paving)
- New public restroom in Tunnels 23A and 28A for field level seating areas
- Concessions Building Improvements (100% increase in points of sale)
- Upgrade all 8 Entry Gates
- Upgrade Stadium Service Yard and Storage at north side of stadium and provide improved maintenance work areas under stadium at south end
- New 17Kv Service and Utility Backbone for stadium

Stadium Improvements

- North Video Board (30' high x 78' wide) with up to 6 independent advertising panels at the rim and an 11' high neon 'signature signage' element centered on top of the new video board
- Reconstruct Historic Scoreboard with up to 4 independent advertising panels at south end
- Provide new 11' high neon 'signature signage' advertising opportunity on the east side attached to the existing speaker platform with new LED game time and game informational board
- Field Wall Restoration and Advertising Panels at end zones (modify end zone seating to reestablish field level wall, provide removable bleachers at clipped corners and LED advertising panels on field walls)

Existing Improvements

- Widen up to 12 stadium tunnels at north and south end zones
- Repair concrete deck, provide additional exit aisles with intermediate concrete steps at end zones
- Field Level Exit path (remove lower seating, create hedge barrier and modify field tunnels 7A and 15A)

Press Box Improvements

- Demolish existing narrow press box wings and rebuild to approximately 55' wide
- Perform selective demolition to center section of existing press box and remodel (reuse existing service cores, and elevator bank)
- Proposed Improvements and Premium Seating Inventory
 - Level A (Ground Level)
 - Remodeled Elevator Bank with 2 new Escalators
 - New Loading Docking and Service Elevator
 - Level B (Service Level)
 - New Commissary and Commercial Kitchen
 - New Mechanical and Storage Areas
 - Level C (Horizon Level)

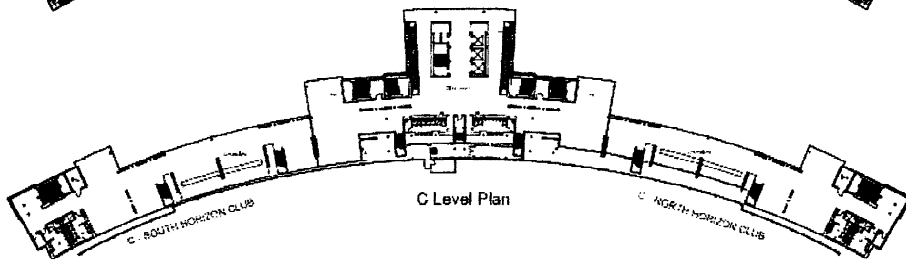
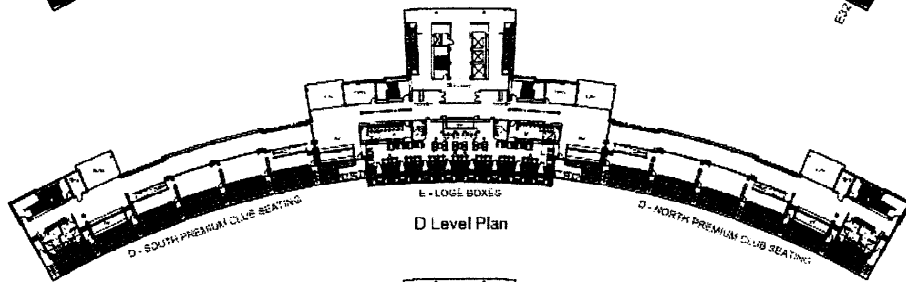
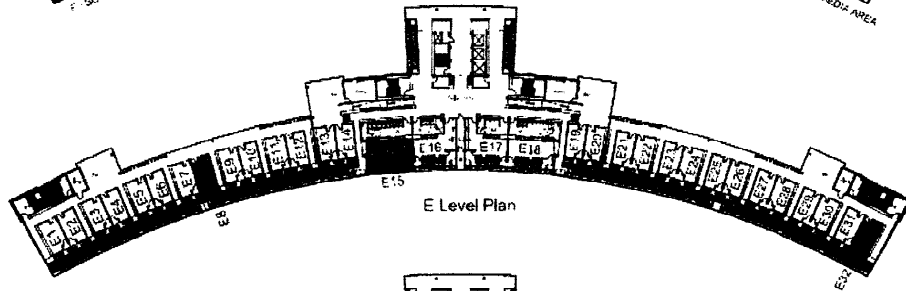
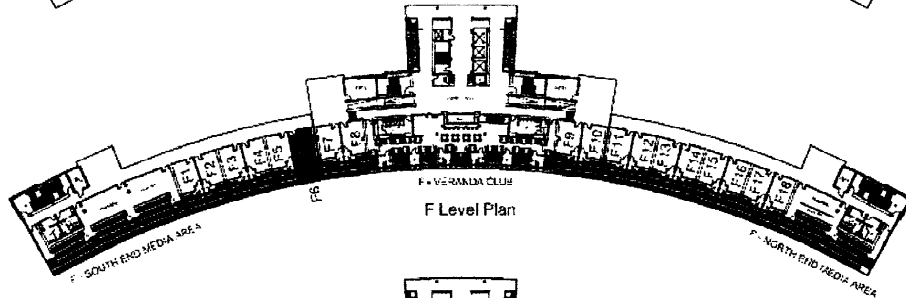
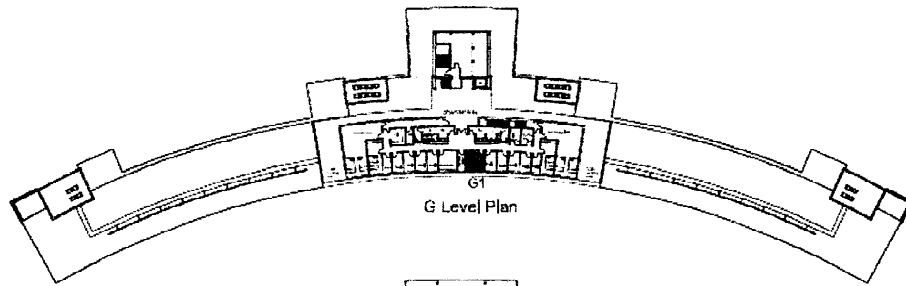
- New Membership Lounge with upgraded concessions and restroom facilities with direct access from the top of the west stadium seating sections
- Level D (Loge Box & Club Seating Level = *current Level 1*)
 - 32 Loge Boxes 128 seats
 - Club Seats with access to adjacent club lounge 850 seats
- Level E (Suite Level = *current Level 2*)
 - 28 Luxury Suites 448 seats
 - 4 VIP Game Day suites 128 seats
 - Club Seats with access to club lounge at Level D 420 seats
- Level F (Veranda Level = *current Level 3*)
 - South Media Area with work area and hospitality 180 seats
 - North Media Area with work area and hospitality 160 seats
 - Veranda Club Seats with Private Lounge 148 seats
 - 18 Veranda Level Luxury Suites 360 seats
- Level G (Broadcast/Command Level = *current Roof Level*)
 - 1 TV Broadcast Room
 - 1 additional TV Broadcast Room or Family Booth
 - 2 Coaches Booths
 - 6 Radio Booths
 - 1 Stat Room
 - 1 Replay Room
 - 1 Command Center
 - 1 A/V Production Room
 - Outdoor covered area for team videos, sky cam, and overflow radio positions as needed

Attachment B

Potential Priority Project Items

- Sideline Chair Replacement/ Concrete Repair/ New Exit Aisles with intermediate steps
- Field Level Lounges (Northwest, Northeast, Southwest, and Southeast)
- Concourse Level Original 1922 Locker Room Lounges (Northwest and Northeast)
- Extend sideline exiting below stadium to access lounges for non-football events
- Remodel existing restrooms to conform to new project design aesthetic
- New Hall of Fame/Museum

Attachment C



LEGEND
 ■ UCLA AREAS
 (G1, F6, E8, E15, E32)

Russel Bowd Press Box
 D'Agostino Izzo Quirk
 Architects
 Section of 15, 2010