Douglas B. Griffin
City Manager

City of Palmer
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MEMORANDUM

TO: The Honorable Mayor and Members of the Palmer City Council
FROM: Douglas B. Griffin, City Manager
DATE: September 7, 2011
RE: Alaska Avalanche Contract Amendment Negotiations

Since the August 23 City Council Meeting and the postponement of the agenda item regarding the Alaska Avalanche contract, I have had two meetings with Mark Lee. He is out of town this week and is not available to sign the amendments as of the agenda packet deadline. Mr. Lee and the City are working cooperatively to work around the delays in the MTA Events Center expansion as best we can.

I am trying to make reasonable accommodations to Mr. Lee so that he can have a successful season. The discussions, to date, have involved providing Mr. Lee access to a functioning washer and dryer, allowing Mr. Lee to install, at his expense, theatrical lighting and television monitors, working to improve the visibility of this press/video box, and seeking to provide at City expense an ATCO or other temporary building to provide the Avalanche exclusive locker accommodations on a par with what the team had last year.

So far, the City has not been able to locate a reasonably priced temporary locker room building, but in cooperation with Mr. Lee, will continue to do so. Due to construction, the City will have the place the ATCO structure in a different location for this season. The cost for this item may require city council approval at a future meeting.

I have also attached a detailed time line regarding the MTA Events Center expansion project and a letter from HCI Steel Building Systems explaining the steel fabrication delays. As of the drafting of this memorandum for the agenda packet Mr. Cohenour is still exploring contractual delivery obligations in the City's contracts with the City Attorney.

I hope to have more information available on this at the September 13 City Council meeting.

Attachments: Project Timeline
Letter from HCI Steel Building Systems dated 8/24/11

HCI
STEEL
BUILDING
SYSTEMS
A Division of BlueScope Buildings North America, Inc.

Steel Buildings Systems • Steel Roof Systems • Building Components

18520 67th Ave. N.E.
Arlington, WA 98223
Phone: (360) 435-8871
Fax: (360) 435-9267
www.hcisteel.com

08/24/11

TO: Chuck Morris, Arctic Fox Building Systems

RE: 193267 MTA Event Arena Addition Schedule

Dear Mr. Morris:

HCI has presented to you the following schedule for the MTA Addition based on our current detailing schedule of projects.
Submittal of the Approval Drawings on 09/16/11.
Delivery of the project to Anchorage Dock on 11/15/11.
Usually with a job of this size and complexity HCI can submit approval drawings in four weeks rather than the five weeks this project is taking. However we are in the midst of our annual Fall rush of orders as builders want to get projects erected before the dead of winter. It is a scheduling issue with existing projects that affects this schedule more than anything at this stage.
As we move from getting the returned approvals back to detailing for fabrication we are looking at a five week window. The unusual aspect of this project is that we are using both a wall and roof panel type that are not in our detailing systems that auto-generate cultists, standard erection details, trims, etc. to the shop for fabrication. The “legacy” HHR wall panel and the SpanLok roof panel are not in the system because they are not the standard HCI panel offering. This causes manual detailing and checking, detailing new trim profiles, outside vendor coil purchases, and other types of delays compared to what would normally be auto-generated by our detailing system.
The plant then takes two and a half weeks to fabricate the entire project. I will have to coordinate a special trim order with an outside vendor as our shop no longer has a trim folder. All these things add up to delays that cause the project to slip out further than normal, I certainly will be looking for opportunities to improve this schedule should another project slip out, but I cannot count on that happening.

Regards,

Brad Holm
HCI Project Manager

MTA Events Center Timeline

From Public Works Director Tom Cohenour

Nov.	Arena Phase I budget information included in the Community Services Department overview to City Council on Nov. 9
Dec. 22	Public Works working with Wolf Architects on Phase II drawings
Dec 22.	Manager's staff meeting - to discuss Arena Phase II Issues
Jan. 6	Manager's staff meeting - named the Project Leader for Arena Phase II
Jan. 7	Project Leader with Wolf Architects to discuss drawings and needs
Jan. 25	Project Leader received package from Wolf Architects for February 8 City Council presentation
Jan. 25	Project Leader held Phase II team meeting to review drawings and cost
Jan. 31	Project Leader met with Wolf Architects to discuss additional items for presentation
Jan 31	Feb 8 Project Leader prepared packets and information for meeting
Feb. 8	City Council meeting cancelled – lack of Quorum
Feb. 11	Project Leader met with Jason to discuss revisions of drawings
Feb 14	Project Leader forwarded Phase II drawings and information to Community Services staff for Planning and Zoning (P&Z) Commission meeting.
Feb. 15	Project Leader Sent out Pros and Cons of the three (3) plan options
Feb 17	Wolf Architects presented Phase II options to P&Z.
Feb 28	Memo from P& Z supporting the Arena renovations.
March 1	Email from City Manager, in which he indicates the need to be ready to highlight contractual obligations with Avalanche and MTA
March 1	Project Leader met with Manager and Community Services Director to discuss design build. Project Leader expressed that direction had not been received regarding a design build. The Project Leader does not have authority to change the project without direction from the City Council.
March 1	City Council meeting at which MTA Arena and Events Center Project Update was postponed until a special meeting on March 8.
March 3	City Council meeting to discuss MTA Arena and Events Center Project/Direction; matter postponed till March 22.
March 11	Project Leader revised MTA Arena & Events Center Phase II memo including project balance, timeline, and cost proposal.

March 15	Project Leader met with Wolf Architects about the presentation and ability to choose items from the three (3) available options
March 22	Email from City Manager, in which he indicates the need to make the change to discuss a less expensive alternative.
March 22	City Council requested that the City Manager bring back a clear plan for seating, a project time line, an overview of the budget, and a recommended design process by the April 12 regular Council meeting.
March 22	Project Leader held meeting with Avalanche Owner Lee, Architect Wolf and staff, City Manager and City staff, Council Member Hanson, and Mayor DeLena Johnson to discuss reworking the plans for a design build base bid to include a shell…(captured in AM 11-030)
March 23	Project Leader sent email requesting confirmation on direction of project.
March 23	Project Leader met with City Manager and on project direction.
March	Project Leader talked to Wolf architecture about shell alternatives.
March 28	Project Leader received updated shell alternatives received from Wolf Architecture
March 29	Project Leader requested updated time line from Wolf Architecture.
March 29	Project Leader notified Director of Community Services of conflicting options from Council's direction and the need to meet with Wolf Architecture
March 29	Project Leader wrote memo to Council regarding MTA Event Center Option 1 with shell additions
April 4	Project Leader sent email to Wolf Architecture requesting a meeting to discuss presentation to the Council on April 12
April 5	Project Leader sent email to Director of Community Services with Phase II decision tree, phase II upgrade needs, options with cost breakdowns, and budget.
April 5	Project Leader prepared Memo to Council with staff recommendations for the Phase II MTA Event Center.
April 12	Project Leader sent email sent to Wolf Architecture regarding the Council meeting
April 12	Project Leader received email from Wolf Architecture with drawings for meeting
April 12	At Council meeting: Authorized the City Manager to proceed with a design build option of the MTA Events Center.
April 29	New Public Works Director hired and on board
May 3	Project Leader emailed Wolf Architecture regarding progress of the bid package
May 5	Project Leader emailed Wolf Architecture with question from Council Member Best requesting info on cantilever seating.
May 16	Project Leader received email from Wolf Architecture that the drawings can't be put in for permit until steel structural drawings are completed, and that won't happen until a

	bidder is selected and the pre-engineered metal building drawings are done. The turnaround is typically a 4-6 weeks process"
May 17	Meeting at Public Works office to discuss Ice Arena addition project.
May 19	Front end specs received from Wolf Architecture for editing.
May 20	95% plan set received from Wolf Architecture.
May 23	100% plan set received from Wolf Architecture.
May 27	Received project budget of $607,955 from Finance Dept. City project number assigned 11-01PW. Read AM 11-030 from April 12, 2011 Council meeting where Council authorized design-build construction option. Invitation to bid was posted publicly.
June 17	Bid opening.
June 22	Received update project budget of $543,400 from Finance Dept.
June 28	TC Construction met with building supplier.
June 30	Notice of Intent to Award sent out.
July 5	Council approves AM 11-011 authorizing contract with TC Construction Council approves Resolution 11-023 moving $572,705 from General Fund into project fund.
July 6	Notice to Proceed issued to TC Construction.
July 12	Contract between City and TC Construction fully executed.
July 14	TC Construction began excavating to verify existing footing elevations.
Aug 19	First notice from building supplier, HCI, that there would be a major delay.
Aug 23	Council told of major project delays.

CITY OF PALMER
ACTION MEMORANDUM NO. 11-045

Subject: Authorize the City Manager to Enter into Amendment No. 1 to the Lease and Facility Use Agreement dated September 22, 2010, between the City of Palmer and Alaska Avalanche Hockey Club, LLC (AAHC)

Agenda of: August 23, 2011

Council Action: Postponed to September 13, 2011 Postponed to September 27, 2011

Approved for presentation by:

City Manager Douglas B. Griffin
City Attorney
City Clerk

Certification of Funds:

Total amount of funds listed in legislation: _____

This legislation (√):

√ Has no fiscal impact
_____ Funds are budgeted from this (these) line item(s):
_____ Funds are not budgeted. Budget modification is required. Affected line item(s):

Unrestricted/undesignated fund balance (after budget modification) $ _____

Director of Finance signature certifying funds: _____

Attachment(s):

- Amendment No. 1 to Lease and Facility Use Agreement
- Lease and Facility Use Agreement dated September 22, 2010
- AM 10-052 dated July 13, 2010 Authorizing negotiation with AAHC for Five-year Lease

Summary statement: The proposed amendments to the Lease and Facility Use Agreement dated September 22, 2010, will update the minimum seating provided at the MTA Events Center and the date the targeted minimum seating will be available. Proposed amendments also revise the dates the capital improvement payments are due to the City from AAHC, change language on hanging ceiling banners, and deletes the requirement to cease sale of alcoholic beverages 10 minutes before end of third period of play.

Background: In July 2010, the Council authorized the City Manager to negotiate and enter into a Lease and Facility Use Agreement with the Alaska Avalanche Hockey Club for a period of five years. In an effort to bring the Avalanche franchise to Palmer and in exchange for $50,000 in capital investments from the Avalanche over a four year period, the City committed to expand the Arena with new locker rooms and equipment storage areas and by expanding seating to accommodate 1,500 spectators.

Following a lengthy design period, the City awarded a bid to construct the arena expansion to

TC Construction on July 5, 2011. Funding available for this arena expansion currently limits the expansion of the seating capacity to 1,100. Construction of the 25' by 40' single-bay extension to the existing structure is scheduled to be completed in November 2011.

The City has met several times with Mark Lee of the AAHC about modifying the agreement to update the minimum seating capacity and the date for completion of the arena expansion found in Section 8.2 (b) of the Lease and Facility Use Agreement signed in 2010. AAHC has agreed it could support the changes in Section 8.2 (b) requested by the City if the changes in 8.2 (b) include language that the City will diligently pursue grants to increase the total seating to 1,500 at some point in the future.

Mr. Lee has requested that the City consider three further modifications to the current agreement:

1. Amend Section 5.1 (c) to move the three additional capital improvement payments due from AAHC from December 31 in 2011 - 2013 to March 31 in 2012 – 2014.

   Deferring each of these three payments from December 31 to March 31 will put the AAHC in a better financial position to meet its obligation to the City.

2. Amend Section 6.2 (c) to allow AAHC to request the City hang ceiling banners three at a time instead of six at a time.

   The proposed change has the potential to increase the cost to the City. City staff must rent a lift to hang these ceiling banners.

3. Delete Section 8.2 (b) which currently requires AAHC to cease the sale of alcoholic beverages when 10 minutes remains on the game clock in the third period of play.

   When games go into overtime, AAHC and spectators at the hockey games have experienced some frustration and confusion due to requirement to shut down alcoholic beverage sales when the game clock shows 10 minutes remaining in the third period.

The proposed changes in the current Lease and Facility Use Agreement balances the goals of the City to expand the Arena within the fiscal constraints of the current funding and the financial needs and goals of the AAHC.

Administration recommendation: Approve action memorandum 11-045.

Alaska Avalanche Hockey Club LLC
Lease and Facility Use Agreement

AMENDMENT NO. 1

Please note:

- On August 23, the council discussed several amendments but did not make any motions. The items discussed are highlighted in **gray**. If the council wishes to include them, motions are in order.
- On September 13, the council made two primary amendments and one secondary amendments. Those amendments are highlighted in **yellow**.
- In response to the discussion held on September 13, the Administration offers the amendment highlighted in **turquoise**.

This Amendment, dated _____, 2011 amends the Lease and Facility Use Agreement dated September 22, 2010, between the CITY OF PALMER (City) and ALASKA AVALANCHE HOCKEY CLUB, LLC (AAHC), as follows:

Section 5.1(c) is amended to read as follows:
AAHC agrees to pay $50,000 for capital improvements to the Palmer Arena, under the following terms:

1. $12,500 on or before December 1, 2010.
2. Three additional annual installments of $12,500 each payable on or before **March 31, 2012** **March 31, 2013, and March 31, 2014** ~~December 1, 2011, December 1, 2012 and December 1, 2013.~~

Section 6.2(c) is amended to read as follows:
AAHC shall arrange for the manufacture and installation of all dasherboard ads, including any protective covering necessary to ensure durability of the ad. The City will hang ceiling banners at its expense. AAHC will not request less than ~~(6)~~ **(4)** banners to be hung at one time. In the event AAHC is required to hang less than ~~six (6)~~ **(4)** banners, it will pay 50% of the installation costs. Advertising material shall be subject to approval of the City for compatibility with available technical processes.

Section 7.6(c) is amended to read as follows:
AAHC shall cease all sales and/or service of alcoholic beverages at the conclusion ~~of a time no later than when ten (10) minutes remain on the game clock of the third period~~ **of each game played in the MTA Events Center.** ~~This does not include overtime.~~

Section 8.2 (b) is amended to read as follows:
City will provide minimum seating for ~~1,500~~ 1,100 people on or before ~~August 2011~~ **February 1, 2012.** The City will ~~**diligently**~~ pursue grants to increase total seating to 1,500. **The** City will provide a**n** **interim** locker room ~~**and coach's office as described in exhibit C**~~**.**

Section 8.2 (c) is adopted to read as follows:
While the 2011construction project is underway at the MTA Events Center, the City will provide AAHC a temporary portable building as interim locker room and coach's office.

CITY OF PALMER	ALASKA AVALANCHE HOCKEY CLUB, LLC
_____	_____
Douglas B. Griffin, City Manager	Mark D. Lee, Managing Member
Date: _____	Date: _____

STATE OF ALASKA)
)ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 2011, before me, the undersigned, a Notary Public in and for the state of Alaska, duly commissioned and sworn, personally appeared Douglas B. Griffin, known to me and to me known to be the City Manager of the City of Palmer who executed the foregoing instrument, and he acknowledged to me that he signed the same freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

_____
Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
)ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 2011, before me, the undersigned, a Notary Public in and for the state of Alaska, duly commissioned and sworn, personally appeared Mark D. Lee, known to me and to me known to be the Managing Member of the Alaska Avalanche Hockey Club, LLC, who executed the foregoing instrument, and he acknowledged to me that he signed the same freely and voluntarily on behalf of the Alaska Avalanche Hockey Club, LLC, for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

_____
Notary Public in and for Alaska
My commission expires: _____

City of Palmer
Alaska Avalanche Hockey Club LLC
Lease and Facility Use Agreement

LEASE AND FACILITY USE AGREEMENT ("Agreement") made as of the 22 day of SEPTEMBER 2010 by and between the CITY OF PALMER ("City"), and ALASKA AVALANCHE HOCKEY CLUB, LLC ("AAHC").

WITNESSETH:

In consideration of the mutual covenants herein, the parties agree as follows:

Section 1. Definitions and Attachments

1.1 Certain Defined Terms. As used herein, the term:

(a) Palmer Arena (PA) means the Palmer Ice Arena located at 1317 Kerry Weiland Court, Palmer, Alaska.

(b) "City" means City of Palmer.

(b) "Default Rate" means an annual rate of interest equal to the lesser of (i) the maximum rate of interest for which AAHC may lawfully contract in Alaska, or (ii) ten and one-half percent (10.5%).

(c) "Fees" mean the fees that are payable by AAHC for the use of the Leased Premises under Sections 5.1 and 5.2.

(d) "Leased Premises" means the areas within the PA that are defined as such in Section 2, and marked on the PA floor plan attached hereto as Exhibit "B."

(e) "Term" means the term of this Agreement as defined in Section 4.1.

(f) "Home Game" means any event where a ticket is sold or donation is made in lieu of compensation including pre-season tournaments, charity games, regular season, conference playoff, divisional playoff, championship playoff, league sanctioned event or tournament played pursuant to a schedule established by the AAHC or North American Hockey League.

(g) Prime Time" means Monday through Thursday from 5:00 PM. - 9:00 PM, Friday from 5:00 PM – 10:00 PM, Saturday from 8:00 AM – 10 PM, and Sunday 8:00 – 9:00 PM.

(h) "Non-Prime Time" means the remainder of the time the rink is open and not designated Prime Time, Monday through Friday 8:00 AM – 5:00 PM, Monday through Thursday 9:00 PM – 11:00PM, Fridays and Saturday 10:00 PM – 11:00 PM, and Sundays 9:00 PM – 11:00 PM.

Refer to Exhibit G for Prime and Non Prime Time graphical representation.

1.2 Additional Defined Terms. The following additional terms are defined in the Sections of this Agreement noted below:

Term	Section
"Event of Default"	11.1
"Rent and Facility Use Fees"	5.1

1.3 Exhibits. The following documents are attached hereto, and shall be deemed to be a part thereof:

Exhibit "A" Sample Game Schedule

Exhibit "B" Floor Plan of the PA

Exhibit "C" Services and Conditions

Exhibit "D" Palmer Arena Rules and Regulations

Exhibit "E" Minimum Security Requirements

Exhibit "F" Signage and Advertisements

Exhibit "G" Prime and Non-Prime Ice Time

Section 2. Leased Premises. City hereby leases to AAHC, and AAHC hereby rents from City, the areas described in this agreement, subject to Section 1.3 Exhibits A-G within the PA (collectively, the "Leased Premises"). City shall deliver possession of the Leased

Premises to AAHC on August 30, 2010, and AAHC accepts the Leased Premises as they exist on that date.

2.1 Equipment Storage Area and Locker Room. The City will provide a minimum of 520 square feet of space to be used by AAHC as an equipment storage area and locker room. AAHC will pay for all leasehold improvements to that space. The locker room is for the assembly of the team for practice, pre-game and post-game activities. AAHC has the exclusive use of this room for the term of this agreement. A portion of the room can be used for the storage of equipment associated with the operation of AAHC's activities. For the 2010-11 season City agrees to provide an area upstairs in the PA for AAHC's equipment storage. 520 SQ. FT. SPACE to INCLUDED (4) SHOWERS, (2) URINALS, (2) TOILETS. AAHC to INSTALL PLAYERS STALLS, & FLOORING.

Section 3. Facility Use. The City hereby leases to AAHC the following areas within the PA (the "Leased Premises") subject to conditions stated below:

3.1 Description of Leased Premises. The Facility shall consist of the areas described in this agreement and depicted in Exhibits A-G.

3.2 All fixtures and display cases are recognized as part of the building. No advertisements on or use of such areas is permitted. See Exhibit F.

Section 4. Term.

4.1 Commencement and Termination. The Term of this agreement commences on August 30, 2010, and expires on May 1, 2015. If AAHC fails to surrender the Leased Premises at the end of the Term or any renewal thereof, in addition to the other remedy which the City may have, AAHC shall defend and indemnify City against all claims and demands by a succeeding tenant, arising from AAHC's failure to surrender the Leased Premises at the end of the Term. This agreement may be terminated:

(a) By the mutual consent of the Parties, expressed in writing;

(b) By either Party immediately upon a material breach of this agreement; or

(c) By the City of Palmer if there are insufficient funds lawfully appropriated for its performance.

4.2 Holding Over. If AAHC is in possession of the Leased Premises after the end of the Term of this Agreement, in the absence of any agreement extending the Term, the

tenancy under this Agreement shall become one from month to month, terminable by either party on thirty (30) days prior written notice, at a monthly rental equal to one hundred fifty percent (150%) of the average monthly rent.

4.3 Extension of Term. City may, in its discretion, offer to extend the Term for up to two additional one (1) year periods. City shall give AAHC written notice of an offer to extend the Term at least ninety (90) days before the expiration of the current Term. AAHC may accept an offer to extend the Term by giving City written notice of acceptance not later than thirty (30) days after the date of City's notice of the offer to extend. In the event that AAHC accepts City's' offer to extend the Term, all of the terms and conditions of the Agreement, except as modified in the City's offer to extend the Term, shall remain in full force and effect during the extended Term.

Section 5. Rent, Fees, Security and Capital Improvement Contribution

5.1 Rent and Capital Improvement Fees. AAHC shall pay annual Rent and Facility Use Fees for the Leased Premises in the amount of $30,500, for home games and exhibition games for the Term of this Agreement.

(a) Included in the Home Game Fee shall be 130 hours of practice ice (non-prime time, 94.5 hours of game ice, and twelve (12) months use and a minimum of 520 square feet of locker room and coaches office storage space in the PA.

(b) Included in the per Exhibition Game Fee shall be 3 hours of game ice, subject to the Facility Use Fee specified in Section 5.2.

(c) AAHC agrees to pay $50,000 for capital improvements to the Palmer Arena, under the following terms:

1. $12,500 on or before December 1, 2010.
2. Three additional annual installments of $12,500 each payable on or before December 1, 2011, December 1, 2012, December 1, 2013.

5.2 Facility Use Fees – Additional Ice. AAHC shall pay the prevailing advertised rate as published on the PA website for ice rental in excess of that purchased in Section 5.1.

5.3 Sale of Alcoholic & Non-Alcoholic Beverages & Food.

(a) All non-alcoholic beverages and food items and their associated costs must be approved in writing by the City prior to any sale by the AAHC.

5.4 Fee Adjustments. This is a five (5) year contract subject to Palmer Municipal Code 3.21.150. There will be no fee adjustments.

5.5 Payment for Additional Services. In addition to the Rent and Facility Use Fees payable under Section 5.1 and 5.2, AAHC shall reimburse the City for any and all services not included in this Agreement, but requested by AAHC or required to fulfill AAHC's responsibilities under the terms of this Agreement.

5.6 AAHC shall pay all home game fees and practice ice fees per section 5.1 and 5.2 on or before the first day of the month, at the rate of $4,357.00 per month for seven (7) months beginning September, 2010.

(a) Rent or Fee payments not received by the City within five (5) days after the due date are considered delinquent and will be subject to interest at the Default Rate specified in Section 1.1(b).

(b) In addition, AAHC will not be allowed to use the Facility until all delinquent payments, plus accrued interest, have been made to the City. Reinstatement of scheduled use following a delinquency will require prepayment of estimated monthly Facility use fees by the first day of each month for the remainder of the Term of this Agreement. Any payment by AAHC or acceptance by City of a lesser amount than shall be due from AAHC to City shall be treated as a payment on account.

5.7 Security Deposit and Guarantees.

(a) The City requires that an irrevocable letter of credit in the amount of $100,000.00 be issued by Wells Fargo Bank, N.A. in favor of the North American Hockey League as security for the Alaska Avalanche Hockey Club LLC Membership Agreement with the North American Hockey League.

(b) The City requires a Personal Promissory Note with Guaranty of Operations in the amount of $150,000.00 to be personally executed by Mark D. Lee in favor of the North American Hockey League.

(c) Both of the foregoing finance instruments described in (a) and (b) must be in full force during the term of this agreement. In the event either (a) or (b) lapse, the agreement will be considered in default. The owner of Avalanche Hockey Club LLC will notify the American Hockey League in writing to notify City in the event of default of either (a) or (b).

Section 6. Signs and Advertising.

6.1 Signs on Leased Premises.

(a) There shall be no signage on the exterior of the leased premises except by a major sponsor designated by the City.

6.2 Advertising in Facility.

(a) The City reserves the right to withhold permission from AAHC to solicit advertising for the following locations in the arena:

(i) Zamboni
(ii) Arena Scoreboard
(iii) Center Ice in the Arena

(b) The term of any advertising placed in the Facility under (a) of this section expires at the termination of this agreement unless extended by prior agreement between the AAHC and the City. The City makes no warranties or representations of any kind concerning the nature or number of events to be held in the Facility and the City shall have no liability for any failure to display advertising or for any other matter concerning the use of the sign system due to any act of God, or any other reason beyond the control of the City.

(c) AAHC shall arrange for the manufacture and installation of all dasherboard ads, including any protective covering necessary to ensure durability of the ad. The City will hang ceiling banners at its expense. AAHC will not request less than six (6) banners to be hung at one time. In the event AAHC is required to hang less than six (6) banners, it will pay 50% of the installation costs. Advertising material shall be subject to approval of the City for compatibility with available technical processes.

(d) This agreement allows event-specific advertising and sponsorship for other PA users without altering or defacing AAHC's advertisements

(e) All advertisements must be approved by the City. The City has the right to refuse any advertisement that may not be in the best interest of the PA or the community.

(f) This section applies to all advertisements that are affixed to the ice hockey dasher boards, walls, railings, glass and other structures that are permanent fixtures of the facility. Any advertising affixed to any portable structure by the AAHC, whether it is for the entire season or during games only, is subject to approval by the City.

(g) All advertising or promotional materials displayed in or distributed in the building or on the common grounds of the facility including driveways, parking lots and easements are subject to written approval by the City.

(g) Advertising or sponsorship may not be offered to a firm in competition with the building sponsor, Matanuska Telephone Association.

(h) See Exhibit F, Conceptual Layout Options, regarding signage and advertisements.

Section 7. Additional Covenants of AAHC.

7.1 (a) Compliance with Laws, Regulations and Codes. AAHC, at its expense, shall use the Leased Premises and the PA in compliance with all federal, state, municipal and other governmental statutes, laws, rules, orders, regulations and ordinances.

(b) AAHC acknowledges Section 3.2 and shall not cover permanent cases.

7.2 PA Rules and Regulations: Care of Facility. AAHC shall comply with the Facility Rules and Regulations in Exhibit D, as they may be amended by the City from time to time. The City shall notify AAHC in writing of any amendment to the PA Rules and Regulations.

7.3 Accommodation of Other PA Users. AAHC shall assure that all participants, spectators and others who are present at its events at the PA conduct themselves in a professional, inoffensive and unobtrusive manner toward other persons who have been permitted to use the PA before, during and after AAHC's use of the PA and Leased Premises.

7.4 Facility Occupancy. AAHC shall not admit persons to an event at the Facility in numbers exceeding the PA's maximum building occupancy. The PA/AAHC improvement plan is attached as Exhibit G.

7.5 Security.

(a) AAHC, at its expense, shall provide a minimum of five (5) unarmed, uniformed security guards for each game and tournament in the Facility, and provide security and crowd control as described in Exhibit E to this Agreement. Security personnel must be clothed in attire designating them as facility security employees.

(b) No pyrotechnical and/or flash use permitted.

7.6 Alcoholic Beverage Sales.

(a) AAHC shall not permit persons attending AAHC events to bring alcoholic beverages into the PA. Alcoholic beverages may be purchased and consumed within the PA only in areas that the State of Alaska Alcoholic Beverage Control Board has designated and approved for that purpose. AAHC shall have at least one uniformed security personnel at each access point to any area designated for the purchase or consumption of alcoholic beverages. AAHC shall ensure that all rules and regulations of the State of Alaska Alcoholic Beverage Control Board including but not limited to Alaska Statute Title 4 and Alaska Administrative Code Title 13, Chapter 104 are strictly enforced during AAHC events at the PA.

(b) Due to the anticipated presence of a large number of youthful spectators at AAHC events, it is imperative that AAHC take effective preventive and remedial measures against minors consuming alcoholic beverages, irresponsible consumption of alcoholic beverages, and disorderly conduct. Without limiting the generality of the foregoing, AAHC shall enforce strictly the exclusion and removal from the. PA of minors consuming alcoholic beverages, intoxicated persons, and persons engaging in disorderly conduct, and summon necessary police assistance in a timely manner.

AAHC shall maintain a written record of each incident in which a person is removed from the PA and each call for police assistance under this subsection, report all injuries and furnish a copy of each such record to the City not later than the first business day after the incident. The City reserves the right to trespass fans for cause.

(c) AAHC shall cease all sales and/or service of alcoholic beverages at a time no later than when ten (10) minutes remain on the game clock of the third period of each game played in the PA. This does not include overtime.

(d) If AAHC at any time fails to comply with any requirements in subsections (a) through (c) of this section, in addition to any other remedy that is available for AAHC's breach of this Agreement, the City may restrict or terminate AAHC's permission to sell alcoholic beverages in the PA for all or part of the remainder of the Term of this Agreement.

7.7 Equipment and Utensils. AAHC shall keep any equipment owned and used by AAHC in the PA in clean and good working condition at all times at AAHC's expense. AAHC shall be responsible for repairing or replacing any equipment or other property owned by the City and used by the AAHC that is lost, damaged or otherwise rendered unfit for use for reasons other than reasonable wear and tear. AAHC shall maintain all AAHC supplied concession equipment and utensils in clean, sanitary and proper working order. AAHC shall repair promptly any malfunctioning AAHC supplied equipment or remove it from the Facility.

Failure of AAHC to abide by the above requirements may result in the revocation of the authorization for concession operations in the Facility. AAHC shall remain in compliance with all health and safety rules and regulations as promulgated by Alaska State Statutes. AAHC shall remove all of its equipment from the Facility not later than the earlier to occur of (i) the expiration of the Term of this Agreement, and (ii) fifteen (15) days after AAHC's last event during the Term of this Agreement, unless City and AAHC agree in writing to a different schedule for the removal.

7.8 City at its expense will maintain the Leased Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; keep any refuse in industry standard containers within the interior of the Leased Premises until removed; and have such refuse removed on a daily basis. AAHC will not obstruct any driveway, corridor, walkway, parking area, lobby or any other area within the PA. AAHC will not permit the parking of vehicles so as to interfere with the use of any driveway, corridor, walkway, parking area or loading area; receive or ship articles of any kind outside the designated loading areas for the Leased Premises; or place a load upon any floor which exceeds the floor load which the floor was designed to carry. In accordance with occupational health and safety and medical protocol, AAHC agrees to clean up blood on ice and all leased premises areas.

7.9 Damage to the PA. AAHC shall pay the cost of repairing any damage to the PA that occurs while AAHC is using or occupying the Leased Premises, and any damage to the PA that is caused by AAHC, its contractors, agents or invitees.

7.10 Taxes. AAHC shall pay the appropriate taxing authority any and all sales, excise and other taxes levied, imposed or assessed upon the Rent or Fees payable hereunder. AAHC shall also be solely responsible for and pay within the time provided by law all taxes imposed on its inventory, furniture, trade fixtures, apparatus, equipment and any other of AAHC's personal or other property.

7.11 Description of the PA. In all of its written materials and advertising, AAHC shall refer to the PA only as the Matanuska Telephone Association Palmer Arena or as further directed by the City.

Section 8. Management and Operation of the PA.

8.1 Management and Operation.

(a) City will operate and maintain the PA in a manner deemed by the City to be reasonable and appropriate and in the best interests of the PA. City will have the right (i) to establish, modify and enforce reasonable rules and regulations with respect to the PA, (ii) to enter into, modify and terminate easements and other agreements pertaining to the use and maintenance of the parking areas and other parts of the PA, (iii) to enforce parking charges, (iv) to close temporarily any or all portions of the PA, (v) to discourage non-customer parking, and (vi) to do and perform such other acts in and to said areas and improvements as, in the exercise of good business judgment, City shall determine to be advisable.

(b) AAHC is responsible for staffing parking activities for games, but not for practices.

8.2 Changes and Additions to the PA.

(a) City reserves the right at any time and from time to time (i) to make or permit changes or revisions in its plan for the PA including additions to, subtractions from, rearrangements of, alterations of, modifications of or supplements to the building areas, walkways, parking areas, driveways, or other areas, (ii) to construct other buildings or improvements on the PA and to make alterations thereof or additions thereto, and (iii) to make or permit changes or revisions in the PA including additions thereto, and to convey portions of the PA to others for the purpose of constructing thereon other buildings or improvements, including additions thereto and alterations thereof.

(b) City will provide minimum seating for 1,500 people on or before August 2011. City will provide a locker room and coach's office as described in exhibit G.

8.3 Utilities. City shall pay all charges for water, sewer and electric service to the Leased Premises and the Facility. AAHC shall not at any time overburden or exceed the capacity of the mains, feeders, duels, conduits, or other facilities by which such utilities are supplied to, distributed in or serve the Leased Premises or the Facility. If AAHC desires to install any equipment that will require additional utility facilities or utility facilities of a greater capacity than the facilities provided by City, such installation shall be subject to City's prior written approval of AAHC's plans and specifications therefore. If City approves such installation and if City provides such additional facilities to accommodate AAHC's installation, AAHC agrees to pay City, on demand, the cost for providing such additional utility facilities or utility facilities of greater capacity.

8.4 Concession Sales Locations. The City, in its sole discretion shall determine the assignment of concession sale locations within the Facility. The AAHC may equip and operate the concession sale locations assigned to it by the City during all AAHC sponsored events and at such other times as AAHC may request subject to City approval. The AAHC will make no modifications to the structure or utility services provided in the concession sale locations without the prior written consent of the City. Any such changes will comply with applicable codes and be subject to inspection and approval by the City Public Works Department. AAHC may use designated concession sale locations for selling alcoholic beverages, team memorabilia, raffle tickets, fifty-fifty (50-50) game tickets, programs, and other items with the prior written consent of the City.

8.5 Concession Sales Locations.

(a) Day of Game Ticket Sales. AAHC shall be responsible for day of game ticket sales in the arena lobby. AAHC shall offer day of game ticket sales beginning no later than sixty (60) minutes before the start of each game. There will be no charge to AAHC for the use of the sales area.

8.6 Employee Parking. AAHC's employees, players, and volunteers shall comply with City's parking rules and regulations. Parking shall be available to employees on a first-come, first-served basis in common with other visitors to the PA. AAHC shall notify its employees in writing of the provisions of this section.

Section 9 Liability. Indemnity and Insurance.

9.1 Limitation of City Liability. City shall not be liable for the unavailability of the Leased Premises. AAHC will provide a copy of its policy through League USA.

9.2 Indemnification by AAHC. The AAHC shall defend and hold the City, its officers, employees and agents harmless from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims for death or injury to persons or damage to property arising out of the performance of this lease and facility use agreement but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or *claims* for injury or damages are caused by or result from the negligent or culpable acts or omissions of AAHC, its officers, agents or employees.

The City shall defend and hold the AAHC, its officers, employees and agents harmless from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims [or death or injury to persons or damage to property arising out of the performance of this lease and facility use agreement but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or culpable acts or omissions of the City, its officers, agents, or employees.

9.3 Required Insurance Coverage. Before commencing its occupancy of the Leased Premises or use of the Facility, and at all times during the Term of this Agreement, AAHC shall carry and maintain at its expense the following nondeductible insurance coverage. AAHC may meet these insurance requirements with any combination of primary and excess/umbrella policies.

(a) Commercial general liability, including without limitation insurance against assumed or contractual liability under this Agreement, with limits of liability not less than $1,000,000 combined single limit bodily injury and property damage, $1,000,000 personal injury, and $2,000,000 aggregate. City shall be named as additional insured. AAHC shall waive any rights of subrogation against the City, its officers, agents or employees.

(b) Automobile liability, with a combined single limit of not less than $1,000,000 per accident applying to all vehicles used in conjunction with this lease. City shall be named as additional insured. AAHC shall waive any rights of subrogation against the City, its officers, agents or employees.

(c) Workers' compensation, including employer's liability with limits of not less than $500,000 per accident, $500,000 disease-policy limit, and $500,000 disease -each employee. AAHC shall waive any rights of subrogation against the City, its officers, agents or employees.

(d) Liquor liability, commencing before AAHC sells any alcoholic beverages in the Facility, with limits not less than $3,000,000 each common cause, $3,000,000 annual aggregate. City shall be named as additional insured.

(e) Umbrella/Excess Liability $1,000,000 Occurrence and $1,000,000 Aggregate. The Umbrella/Excess policy shall provide excess limits over the general liability, liquor liability, employers liability and auto liability. City shall be named as additional insured. AAHC shall waive any rights of subrogation against the City, its officers, agents or employees.

(f) No pyrotechnical and/or flash use permitted.

9.4 Insurance Policy Requirements. AAHC shall provide City with certificates of insurance and/or copies of each policy acceptable to the City for the coverages listed herein promptly upon commencement of AAHC's obligation to procure the same. The company or companies writing any insurance which AAHC is required to carry and maintain as well as the form of such insurance shall at all times be subject to City's approval, and any such company or companies shall be licensed to do business in the State of Alaska and shall have a minimum A.M. Best rating of A VII or be approved by the City Manager. AAHC shall provide the City with thirty (30) days written notice before any insurance company or companies cancels, refuses to renew or materially alters coverage required by this Agreement.

Section 10. Repairs and Alterations: Liens.

10.1 Maintenance by City. City shall maintain the PA in good repair, except for the maintenance and repairs that are AAHC's responsibility under this Agreement.

10.2 AAHC's Improvements and Maintenance. AAHC shall install at its expense the furniture, fixtures and equipment that it requires to conduct its business in the Leased Premises, using new and quality materials and equipment. Not later than the end of the Term, AAHC shall remove all furniture, fixtures and equipment that it has installed in the Leased Premises, AAHC shall repair any damage to the Leased Premises caused by the removal of its furniture, fixtures or equipment, and shall surrender the Leased Premises at the expiration of the Term or at such other time as it may vacate the Leased Premises in as good condition as when received, excepting ordinary wear and tear. AAHC will alter "the Leased Premises only with the prior written approval of City, AAHC shall perform any approved alterations at its expense, promptly, efficiently, competently, and in a good and workmanlike manner by duly qualified and licensed persons, using first grade materials, without interference with or disruption to the

operations of the PA. All such work shall comply with all applicable governmental codes, rules, regulations and ordinances.

10.3 Mechanics Liens: AAHC shall pay promptly all persons furnishing labor or materials with respect to any work performed by AAHC on or about the Leased Premises, AAHC promptly shall discharge of record or bond to the satisfaction of City any mechanic's or other lien filed against the PA, by any such person. If AAHC fails to discharge of record or bond to the satisfaction of City any such lien, then, in addition to any other right or remedy, City may bond or discharge the same, and AAHC shall pay to City upon demand the amount so paid by City plus its attorney's fees incurred in defending against such lien or in procuring its discharge, together with interest thereon at the Default Rate specified in Section 1.1(a).

Section 11. Default.

11.1 "Event of Default" Defined. Any one or more of the following events shall constitute an "Event of Default":

(a) The failure of AAHC to pay any Rent, Fees or other sum of money when due hereunder;

(b) Default by AAHC in the performance or observance of any covenant or agreement of this Agreement (other than a default involving the payment of money), which default is not cured within ten (10) days after the giving of notice thereof by City, unless such default is of such nature that it cannot be cured within such ten (10) day period, in which case no Event of Default shall occur so long as AAHC shall commence the curing of the default within such ten (10) day period and shall thereafter diligently prosecute the curing of same; provided, however, if AAHC shall default in the performance of any such covenant or agreement of this Agreement three (3) or more times in any twelve (12) month period, that notwithstanding such defaults have each been cured by AAHC, any further similar default shall be deemed an Event of Default without the ability to cure;

(c) The sale of AAHC's interest in the Leased Premises under attachment, execution or similar legal process; or if AAHC is adjudicated as bankrupt or insolvent under any state bankruptcy or insolvency law or an order for relief is entered against AAHC under the federal Bankruptcy Code and such adjudication or order is not vacated within ten (10) days;

(d) The commencement of a case under any chapter of the federal Bankruptcy Code by or against AAHC, or the filing of a voluntary or involuntary petition proposing the adjudication of AAHC as bankrupt or insolvent, or the

reorganization of AAHC, or an arrangement by AAHC with its creditors, unless the petition is filed or case commenced by a party other than AAHC and is withdrawn or dismissed within thirty (30) days after the date of its filing.

(e) The admission in writing by AAHC of its inability to pay its debts when due;

(f) The appointment of a receiver or trustee for the business or property of AAHC, unless such appointment shall be vacated within ten (10) days of its entry;

(g) The making by AAHC of an assignment for the benefit of its creditors, or if in any other manner AAHC's interest in this Agreement shall pass to another by operation of law;

(h) The vacating or abandonment of the Leased Premises by AAHC at any time during the Term of this Agreement;

(i) The occurrence of any other event described as constituting an "Event of Default" elsewhere in this Agreement.

11.2 Remedies. Upon the occurrence and continuance of an Event of Default, City, without notice to AAHC in any instance (except where expressly provided for below or required by law) may do any one or more of the following:

(a) With or without judicial process, enter the Leased Premises and take possession of any and all goods, inventory, equipment, fixtures and all other personal property of AAHC situated in the Leased Premises without liability for trespass or conversion, and may sell all or any part thereof at public or private sale. AAHC agrees that five (5) days' prior notice of any public or private sale shall constitute reasonable notice. The proceeds of any such sale shall be applied, first, to the payment of all costs and expenses of conducting the sale or caring for or storing said property, including all attorneys' fees; second, toward the payment of any indebtedness, including without limitation indebtedness for Rent or Fees, which may be or may become due from AAHC to City; and third, to pay the AAHC, on demand, in writing, any surplus remaining after all indebtedness of AAHC to City has been fully paid.

(b) Perform, on behalf and at the expense of AAHC, any obligation of AAHC under this Agreement which AAHC has failed to perform and of which City shall have given AAHC notice, the cost of which performance by City, together with interest thereon at the Default Rate from the date of such expenditure, shall be payable by AAHC to City upon demand.

(c) Elect to terminate this Agreement and the tenancy created hereby by giving notice of such election to AAHC, and may reenter the Leased Premises, without

the necessity of legal proceedings, and may remove AAHC and all other persons (if AAHC is still in possession) and property from the Leased Premises, and may store such property in a public warehouse or elsewhere at the cost of and for the account of AAHC without resort to legal process and without City being deemed guilty of trespass or becoming liable for any loss or damage occasioned thereby.

(d) Exercise any other legal or equitable right or remedy which it may have.

Notwithstanding the provisions of subsection (b) of this section, and regardless of whether an Event of Default shall have occurred, City may exercise the remedy described in subsection (b) of this section without any notice to AAHC if City, in its judgment, believes it would be injured by failure to take rapid action or if the unperformed obligation of AAHC constitutes an emergency. Any costs and expenses incurred by City (including without limitation attorneys' fees) in enforcing any of its rights or remedies under this Agreement shall be repaid to City by AAHC upon demand.

Section 12. Inspection/Access by City. AAHC will permit City, its agents, employees and contractors to enter all parts of the Leased Premises during AAHC's business hours, upon 24 hours' notice, except in case of emergency, to inspect the same and to enforce or carry out any provision of this Agreement, including, without limitation, any access necessary for the making of any repairs which are City's obligation hereunder; provided, however, that, in an emergency situation, such access shall be at any time upon City's sole discretion.

Section 13. Miscellaneous.

13.1 Notices. Any notice, request, demand, approval or consent given or required to be given under this Agreement shall be in writing and shall be addressed as follows:

To City: City of Palmer
Director Department of Community Services
231 W. Evergreen
Palmer, AK 99645

To AAHC: Alaska Avalanche Hockey Club, LLC
Attn: Mark Lee
1560 North Legacy Lane
Palmer, AK 99645

Either party may, at any time, change its notice address for the above purposes by sending a notice to the other party stating the change and setting forth the new address.

13.2 No Waiver. No failure by City to insist upon the strict performance of any agreement, term, covenant or condition hereof, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial fees during the continuance of any such breach, shall constitute a waiver of any such breach, agreement, term, covenant or condition. No waiver by City of any breach by AAHC under this Agreement shall affect or alter AAHC's obligations under this Agreement in any way whatsoever

13.3 Successors and Assigns. No benefit under this Agreement may be assigned; nor may any duty under this Agreement be delegated, without the prior written consent of the City.

13.4 Captions and Headings. The Section captions and headings in this Agreement are for convenience of reference only and in no way shall be used to construe or modify the provisions set forth herein.

13.5 No Discrimination. It is intended that the Facility shall be developed so that all prospective tenants and users thereof, and all customers, employees, licensees and invitees of all tenants shall have the opportunity to obtain all the goods, services, accommodations, advantages, facilities and privileges of the PA without discrimination because of race, creed, color, sex, age, national origin or ancestry, To that end, AAHC shall not discriminate in the conduct and operation of its business in the PA against any person or group of persons because of the race, creed, color, sex, age, national origin or ancestry of such person or group of persons.

13.6 No Joint Venture. Any intention to create a joint venture or partnership relation between the parties hereto is hereby expressly disclaimed.

13.7 Integration; Amendment. The parties intend this Agreement and its attachments hereto to be the final expression of their agreement and as the complete and exclusive statement of the terms thereof, all negotiations, considerations and representations between the parties having been incorporated herein. This Agreement may be modified only by a writing signed by the party against whom the modification is enforceable.

13.8 Severability. If any term or provision, or any portion thereof, of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

13.9 No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed so as to confer upon any other person the rights of a third party beneficiary.

13.10 Applicable Law; Venue. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with the laws of the State of Alaska and the City of Palmer. Any legal proceeding in connection with this Agreement shall be in the trial courts for the State of Alaska for the Third Judicial District in Palmer.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year stated in the acknowledgments below.

CITY OF PALMER, ALASKA

B. B. ALLEN, City Manager

ALASKA AVALANCHE HOCKEY CLUB, LLC

Mark D. Lee, Managing Member

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 22nd day of September, 2010, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared B.B. Allen, known to me and to me known to be the City Manager of the City of Palmer who executed the foregoing instrument, and he acknowledged to me that he signed the same freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

OFFICIAL SEAL
ALICE M. WILLIAMS
NOTARY PUBLIC-STATE OF ALASKA
My Comm. Expires Aug. 12, 2012

Alice M Williams
Notary Public in and for Alaska
My commission expires: Aug 12, 2012

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 22nd day of September, 2010, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Mark D. Lee, known to me and to me known to be the Managing Member of the Alaska Avalanche Hockey Club, LLC, who executed the foregoing instrument, and acknowledged to me that he/she signed the same freely and voluntarily on behalf of the Alaska Avalanche Hockey Club, LLC for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

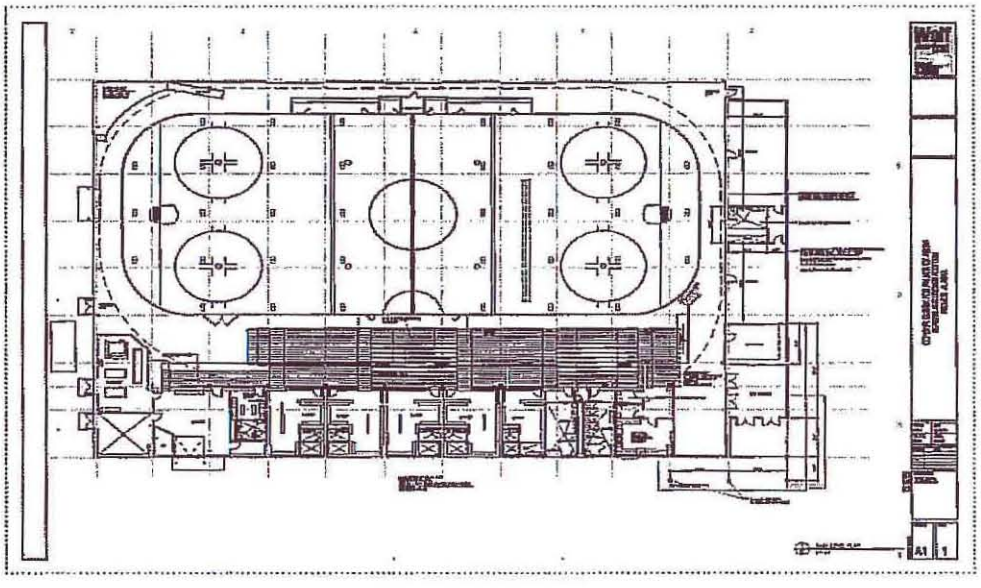
OFFICIAL SEAL
ALICE M. WILLIAMS
NOTARY PUBLIC-STATE OF ALASKA
My Comm. Expires Aug. 12, 2012

Alice M Williams
Notary Public in and for Alaska
My commission expires: Aug 12, 2012

EXHIBIT A
AVALANCHE GAME SCHEDULE

Date	Day	Customer Name	Event Type	Start Time	End Time	Duration
Sept. 10	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:00	3.5
Oct. 1	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Oct. 2	Sat.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Oct. 7	Thur.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Oct. 8	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Oct. 9	Sat.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Nov. 5	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Nov. 6	Sat.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Nov. 16	Tue.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Nov. 17	Wed	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Nov. 19	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Nov. 20	Sat.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Dec. 9	Thur.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Dec. 10	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Dec. 11	Sat.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Dec. 17	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Dec. 18	Sat.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Jan. 14	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Jan. 15	Sat.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Feb. 18	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Feb. 19	Sat.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Feb. 25	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Feb. 26	Sat.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Mar. 4	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Mar. 5	Sat.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Mar. 11	Fri.	Ak Avalanche Hockey Club	Game	7:00	10:30	3.5
Mar. 12.	Sat.	Ak. Avalanche Hockey Club	Game	7:00	10:30	3.5

EXHIBIT B
FLOOR PLAN



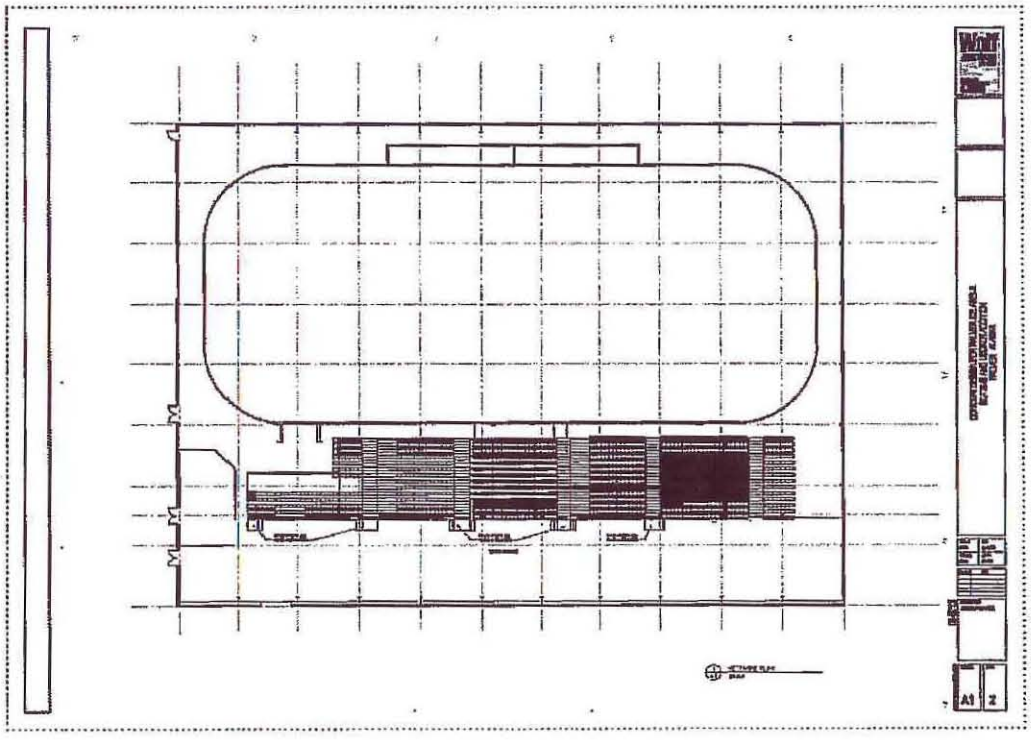


EXHIBIT C
SERVICES AND CONDITIONS

1. The City shall provide ice resurfacing, scoreboard, public address system, team locker rooms for each event and maintenance thereof.

2. The City shall provide a single dedicated phone line for use by the media. Long distance calls will only be available by using a call card or calling collect.

3. AAHC will have access to the facility beginning ninety (90) minutes prior to the scheduled start of each game. Doors are scheduled to open forty-five (45) minutes prior to the start of each scheduled game. Other Users of the ice rink have until sixty (60) minutes prior to the start of each scheduled game to vacate the ice rink and team locker rooms.

4. AAHC shall keep its assigned equipment storage area clean and orderly.

5. AAHC shall inform its concessionaires to thoroughly clean the designated concession area(s) at the end of each game.

6. AAHC shall remove all supplies from and thoroughly clean the designated concession area(s) no later than five (5) days after the last event of the season.

7. AAHC shall obtain all necessary permits, licenses and insurance and abide by all city, borough, state and federal laws pertaining to the sale of alcoholic beverages.

8. The City has the final approval on any banners placed in or around the facility.

9. AAHC shall give written notice of all proposed dates for special events/activities during any of the AAHC's sponsored events (e.g. cars/trucks on the ice, foreign materials on the ice surface, crowd participation events, throwing or catching events, skating parties after games, etc.). The City will approve or disapprove these events in writing.

10. AAHC shall not obstruct any access to stairs or exit doors.

11. AAHC shall enforce the rule of no participants permitted on the walking track for the purpose of watching the event without consent of the facility manager.

12. AAHC shall provide all "on/off" ice officials for games and be responsible for all related expenses.

EXHIBIT D
ARENA RULES AND REGULATIONS

1. AAHC may not be on the ice surface or sit on the dasher boards in the players or penalty boxes during the resurfacing or other maintenance operations. All gates to the arena are to remain closed during resurfacing operations. AAHC may return to the ice surface after the Zamboni has completed resurfacing the ice and the gates are closed; or when other maintenance operations have been completed.

2. Absolutely no puck shooting may take place when a PA staff person is on the ice or personnel gates are open. Puck shooting when a PA staff person is on the ice may result in immediate suspension of AAHC from the facility for the remainder of the scheduled season.

3. Vandalism or other misuse of any part of the PA will result in individual, team or organizational suspension from the facilities. Personnel in charge of each user group (i.e. coaches) are responsible for the conduct of their participants while they are using the MTAPA both on and off the ice. Team locker rooms should be inspected prior to each use. Observation of any damages or other irregularities should be reported to a facility staff person immediately. The PA Manager will review each incident and determine appropriate and reasonable actions necessary to maintain proper use etiquette.

4. In order to assure a punctual start for each user, it is mandatory you leave the ice immediately at the conclusion of your allotted time. Failure to comply may result in suspension of ice time until such time as the facility manager is assured that the problem is corrected.

5. AAHC is responsible for individual, team, and in some cases, spectator control during their allotted ice time. (AAHC will be informed if security officers are needed for spectator control).

6. Smoking is prohibited inside the building.

7. Alcoholic beverages are prohibited at all times from team locker rooms and from inside the facility unless purchased from a vendor inside the facility, and then consumed in an approved area by the Alcohol Beverage Control Board. Failure to comply will result in immediate suspension of individuals and/or teams from the facility for the remainder of the scheduled season.

8. Use of illegal drugs is prohibited and will result in immediate suspension of individuals and/or teams from the arena for the remainder of the scheduled season.

9. AAHC agrees to hold harmless, defend and indemnify the City from any claim whatsoever arising out of the use and occupation of the facility by the AAHC.

10. Vehicle parking is in designated areas only. No parking in handicap, fire or ambulance zones or in other areas as posted. Vehicles in violation are subject to ticketing or towing and impound at the owners expense.

11. Team locker rooms can be secured for all events.

    It is the AAHC's responsibility to use assigned locker rooms. Upon completion of the event, the room shall be cleared by the AAHC and inspected by an on duty supervisor. If there is any damage to the room or the room is not satisfactorily cleaned, a penalty of a minimum of $100 will be imposed on the using team or organization. Payments or arrangements will be made within seventy-two (72) hours, or the AAHC will be suspended from further facility use.

12. All ice time will be scheduled by the administration of the PA. Any ice time cancellation will be honored up to thirty (30) days prior to the scheduled date. Scheduled changes are the responsibility of the AAHC. The City will not track any changes on the master schedule. The AAHC will be invoiced for all the time whether or not they use it or sell it to another user. The City reserves the right to alter, cancel or reschedule any time with reasonable notice.

13. Hitting or throwing pucks, tennis balls, tape balls or any other objects off the ice surface is prohibited and will result in the confiscation of hockey sticks, pucks, etc. This includes the team locker rooms.

14. Children under the age of 14 will have adult supervision while in the facility.

15. Posting of any advertisements, posters or flyers must be pre-approved by the facility manager.

16. Taping of posters, banners, decorations, etc. to the glass surrounding the ice rink and display cases are not permitted.

17. Spitting tobacco on the ice, walls, floor, water fountains, benches, corners and any out of the way place is unsanitary and dangerous. It will not be tolerated and may result in suspension from use of the building.

18. The AAHC may not be the sole user of the facility. In consideration of other patrons, everyone needs to act in an unobtrusive, professional manner.

19. All Players in all ice hockey classifications must wear appropriate safety equipment. All players must wear a hockey helmet, with chinstrap properly fastened, while on the ice, in the player's boxes and penalty bench. Any coach under the age of eighteen (18) years of age must wear a helmet while on the ice or in the player's bench. All players and coaches must abide by USA Hockey Rules and Regulations.

20. Shaking or grabbing on the glass surrounding the ice rink is prohibited and may result in the suspension from the facility for the remainder of the season or longer depending on the severity of the act.

EXHIBIT E
MINUMUM SECURITY REQUIREMENTS

1. AAHC shall provide a minimum of 5 licensed unarmed uniformed security personnel over 21 years of age during AAHC's sponsored events.

2. In the event that the attendance average for more than three consecutive games goes above 1000 attendees per game, AAHC shall be required to provide a minimum of six (6) licensed unarmed uniformed security personnel over 21 years of age.

3. All security personnel shall be on duty at least fifteen (15) minutes prior to the start of all AAHCs' sponsored events and until all spectators have left the facility.

4. Security personnel shall make a concerted effort to communicate the courtesies of sitting in the handicap seating to members of the public.

5. Security shall immediately remove any individuals who throw any items onto the ice rink surface or into players or penalty boxes, with the exception of those items that are thrown onto the ice during special events such as "Chuck-a-Puck."

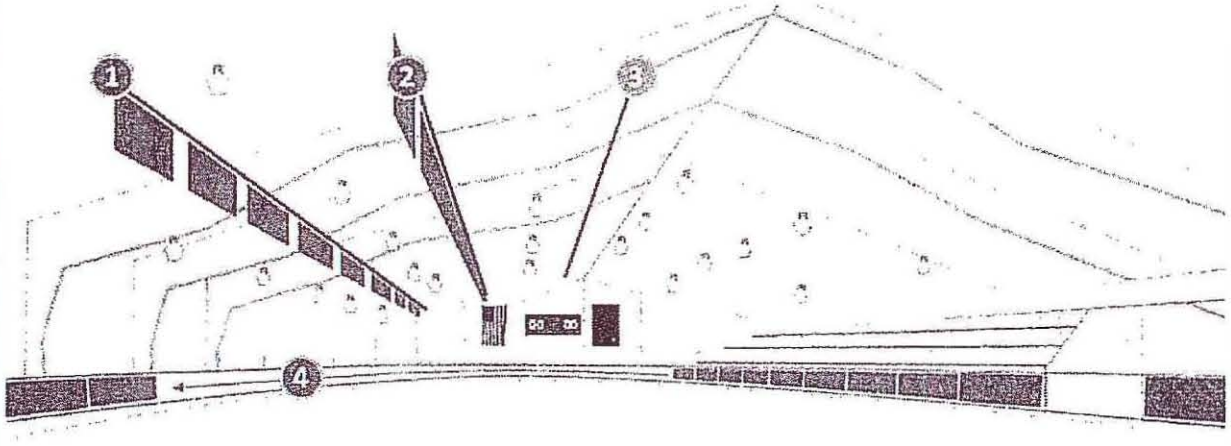
6. Intoxicated individuals who are abusive, belligerent, combative or disruptive shall be removed from the facility. Individuals involved in physical altercations or who otherwise refuse to respond to the directions of security staff will be trespassed from the facility for a period of not less than one (1) year.

7. Security shall be responsible for enforcing item numbers 3, 5, 6, 7, 8, 10, 13, 14, 17 & 20 of the Palmer Ice Arena Rules and Regulations as stated in Exhibit D.

8. The City reserves the right to ensure contract compliance of this Agreement at all times. The City and/or its representatives maintain the right to enter the premises for any purpose but primarily for inspecting the facilities and operational compliance.

EXHIBIT F

ADVERTISING AND PROMOTION
CONCEPTUAL LAYOUT



Palmer Ice Arena

Advertising and Promotion Conceptual Layout Options

1 2 3

Ceiling Hung 3' x 8' Banners
Placement as indicated

- Spaced evenly between ceiling-hung lighting, utilizing existing support beams
- Two (2) rows preferable; three (3) are optional

4

38 8' x 2.6' Dasher Boards
Surrounding Ice Floor

- 22 Boards Currently Posted
- 16 Boards Potentially Available

5

Electrical Backlit Signs
One end of arena – short wall

- Placement and specifications to be discussed (not indicated on visual)

EXHIBIT G
PRIME AND NON PRIME ICE TIME

Palmer Arena Hourly Ice Rates							
$185 Prime Sheets $150 Non Prime Sheets							
	MON	TUE	WED	THUR	FRI	SAT	SUN
8 AM							
9AM							
10 AM							
11 AM							
NOON							
1 PM							
2 PM							
3 PM							
4 PM							
5 PM							
6 PM							
7 PM							
8 PM							
9 PM							
10 PM							

City of Palmer to Complete Section 2 of The Lease Agreement.

CITY OF PALMER ACTION MEMORANDUM NO. 10-052

SUBJECT: Authorize the City Manager to Negotiate and Enter Into a Lease and Facility Use Agreement with the Alaska Avalanche Hockey Club LLC for a Period of Five (5) Years

AGENDA OF: July 13, 2010

Council action:

Approved for presentation by B. B. Allen, City Manager B B Allen

Route To:	Department/Individual:	Initials/Date:	Remarks:
X	Originator – City Manager	6-30-10	
X	City Clerk	7/7/10	
X	City Attorney	7/7/10	
	Director of Administration		
	Director of Community Development		
	Director of Community Services		
	Director of Public Safety		
	Director of Public Works		

Attachment(s): Lease and Facility use Agreement with Alaska Avalanche Hockey Club LLC

Certification of Funds:

	No fiscal impact.	
	Funds are budgeted from this account number:	
X	Funds are not budgeted. 2010 Budget modification is required. Affected account number: 01-00-00-3XXX	$17,428 (4 months x 4,357)

Director of Administration Signature: _____

Summary statement: Passage of action memorandum no. 10-052 provides for a five year agreement with the Alaskan Avalanche Hockey Club LLC from which the City will derive direct payments of $30,500 per year, and sales tax revenue from increased use and sales associated with 27 Avalanche Home Hockey Games. The City commits to expansion of the arena with new locker rooms, an equipment storage facility, seating to accommodate 1,500 spectators and the ancillary items which accompany expansion of the facility.

Background: The City Manager has been working with Avalanche representatives for the past several months to bring the franchise to Palmer. On June 8, 2010, the City Council passed an Ordinance no. 10-013 which permits beer and wine sales at the Palmer Ice Arena. The five year

Lease and Facilities Agreement spells out the particulars of the association including the following:

- A $50,000 capital investment from the Avalanche over a 4 year period
- An annual fee Rent and Facility Use Fee of $30,500 paid by the Avalanche each year
- All beverages and food during league hockey games shall be sold by the Avalanche
- Advertising revenues are split with the City retaining advertising on the Zamboni, Scoreboard, Center Ice, and the Arena name
- Expansion of the Arena by the 2011-12 Season to 1,500 seats

Note: Separate legislation in the July 13, 2010, City Council packet addresses construction costs.

Administration recommendation: Approve action memorandum 10-052.