

> TO: All Staff

> FROM: Bruce Williamson and Roberta Williamson

> DATE: February 26, 2010

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> The Ice Park is being listed for sale. We are sad to
> have to tell you this, and we are writing to explain to you why this
> is being done.

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> Before giving you the details, we want to tell you that
> we appreciate deeply the efforts of everyone who has been involved
> with the Ice Park, present and past. The rink could not have
> operated as well or as long as it has without the work of all
> concerned.

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> Here are the details. We purchased the rink, equipment,
> and business in 2003 for \$3.1 million. Between 2003 and 2005 we
> spent money on improvements and repairs to the Ice Park, including
> the Munters dehumidifier on the roof of the Water Street Terrace,
> the new Zamboni, the new rink sound system, new lighting in the
> lobby, the front-window display sign, new computers, point-of-sale
> software, work on the rink building, renovation of the Water Street
> Terrace and contributions to operating expenses to cover losses.

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> In 2005, we exercised a five-year lease extension through November
> 30, 2010, with BMD Land Trust, the owner of the 218 West main Street
> Building that is necessary for operation of the business. By the end
> of May of this year, we must notify BMD Land Trust if we wish to
> exercise the remaining five-year lease extension through November
> 30, 2015. In 2005, we agreed that we would allow cumulative losses
> up to \$1 million. The rink,s budget deficits make up the principal
> of a personal loan with a lending institution and have now exceeded
> \$850,000.00, not including the interest payments we have made on
> that loan over the years.

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> It is very clear to us that continuing to operate the Ice Park for
> even one more full year will mean that our losses since 2005 will
> exceed \$1 million

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> We hope that some person, entity, or group of persons interested in
> keeping a rink in Charlottesville will purchase the property and
> business from us. A large enough group of people, sharing the
> losses so that no one person,s losses are terribly high, might
> operate the rink for an extended period of time and eventually sell
> the real estate when the economy is healthy again. They could make
> an excellent return on their investment, which might permit a less
> expensive-to-operate rink to be built in the area. That had been

> our hope, but the losses as described above mounted more quickly
> that we anticipated they would.
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> We want to emphasize that the operating losses of the
> Charlottesville Ice Park are not the fault of the efforts of
> ownership, management or staff. The reality is that the Central
> Virginia area, while being enthusiastic about the rink to a degree,
> does not have enough people interested in skating often enough to
> support the operation. The numbers are interesting, but suffice it
> to say that if we had about 20,000 additional public skating visits
> per year, that is 400 per week averaged over a full year, the rink
> would break even.
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> The skating school and hockey operations are at or very near
> capacity, so there is really nothing that either of those
> departments could have done to bridge the income-expense gap. We
> are, in fact, very, very pleased with and proud of the jobs that
> Hockey Director Jennifer Blanchard and Skating School Director
> Lindsay Tilley have done.
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> The rink is being listed at \$4.1 million, a reasonable
> price in the current market. We will be taking a loss on this
> investment. Our sale price is lower than it would have been in 2007
> or 2008. We want to make it clear, though, that we went into this
> business with our eyes open, and we have kept them open through the
> years. We have no regrets and we are happy and proud to have made a
> contribution to the life of our City by keeping this wonderful
> facility open since July 2003.
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> The Charlottesville Ice Park will be hosting the ice
> skating portion of the Coventry Commonwealth Games in June of this
> year. We will continue operations at least until then and will
> evaluate the situation in a couple of months from now to determine a
> specific date for discontinuing skating operations.
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> A copy of this note will be transmitted to the SkateMail and
> PuckMail lists after we meet with you. We will also transmit this
> note to the press. We know that, because of the prominence of its
> location and the unique nature of the business, this announcement
> will result in some media and general public attention, to say
> nothing of the responses from regular customers. We have decided it
> is best to publicize the real details surrounding our decision to
> list the property for sale and cease operations. If you are
> questioned by anyone, please just refer him or her to this note.
> Any speculation or rumors about our reasons for making this decision
> will not be true because you have just read the facts.