

**MINUTES OF REGULAR MEETING OF
THE LOS ANGELES MEMORIAL COLISEUM COMMISSION**

July 17, 2013

CALL TO ORDER

The Regular Meeting of the Los Angeles Memorial Coliseum Commission was convened in the Commission Board Room on Wednesday, July 17, 2013, and called to order at 2:37 p.m. by President Don KNABE.

PRESENT: Commissioner Don Knabe, President
Commissioner Johnathan Williams, Vice President
Alternate Tom LaBonge (arrived at 2:49pm)
Commissioner Curren Price
Commissioner Mark Ridley-Thomas (arrived at 3:22pm)
Commissioner Barry Sanders
Commissioner Glenn Sonnenberg
Alternate Zev Yaroslavsky (arrived at 2:52pm)

ALSO PRESENT: Attorney Thomas Faughnan
Attorney Donovan Main
Mr. John Sandbrook, interim Chief Administrative Officer
Mr. Greg Hellmold, interim Director of Finance
Mr. Joe Furin, Senior Director-Operations

ABSENT: Commissioner Michael Antonovich
Commissioner William Chadwick, Secretary
Ex-officio member Senator Rod Wright
Ex-officio member Assemblymember Reginald Jones-Sawyer

PUBLIC COMMENT

President KNABE invited Public Comment, to which two individuals responded. Mr. Joe ESSY of Laguna Beach, CA spoke as to his views urging a reformulation and downsizing of the structure and membership of the Coliseum Commission; Commissioner KNABE informed Mr. ESSY that the Coliseum Commission's recommendation for such a proposal had been approved at the Commission's

last meeting on June 5 and, upon the commencement of the Amended and Restated USC-Coliseum Commission lease, would be forwarded to the State of California, County of Los Angeles and City of Los Angeles for consideration and possible implementation.

Ms. Diane SHER (residence not disclosed) spoke as to her interest in working for the Coliseum Commission, particularly on the history of the Coliseum and Exposition Park.

APPROVAL OF MINUTES

Approval of the minutes of the meeting of June 5 was moved by Commissioner SONNENBERG and seconded by Commission KNABE. Commission President KNABE asked if there were any objections. Hearing none, Mr. KNABE declared the minutes of the meeting of June 5 to be approved.

PRESIDENT'S COMMENTS

President KNABE deferred President's Comments.

GENERAL MANAGER'S REPORT

1. Agenda Item OPEN-1: General Announcements

Interim General Manager John SANDBROOK reviewed for the Commission the items in the General Announcements agenda item:

- a. City Councilmember Curren Price had been named by City Council President Herb WESSON on July 2, 2013 to be the City Council representative to the Coliseum Commission. Mr. Wesson had also appointed City Councilmember Tom LA BONGE to be the City Council Alternate to the Coliseum Commission.
- b. At the request of Mr. LA BONGE and with the approval of Commission President KNABE, a Celebration of Life ceremony had been held at the Coliseum peristyle on

Saturday, June 22 for former Los Angeles Rams player David Deacon Jones, who had died on June 3 at age 74. Mr. LA BONGE stated that the more than 25 former NFL players, many of whom were members of the NFL Hall of Fame, attended the ceremony and that the work of the Coliseum staff had been very much appreciated.

- c. Mr. SANDBROOK announced that former Assistant General Manager Jerry Nielsen had passed away on July 4 at age 77. Mr. Nielsen had been a Coliseum Commission employee for 37 years from 1961 to 1998.
- d. Mr. SANDBROOK referred the Commissioners to the printed agenda item for the other announcements regarding: (i) the press conference scheduled for July 30 at the Coliseum by the Organizing Committee of the 2015 Special Olympics World Games; (ii) the unauthorized depiction of the Coliseum in the recently-released Paramount Pictures motion picture "World War Z"; and (iii) Mr. Sandbrook would be on vacation from August 12-16.

2. Agenda Item OPEN-2: Financial Report

Mr. SANDBROOK stated that Thursday, July 18, would be the final day of service of Mr. Greg HELLMOLD on a fulltime basis as interim Director of Finance, concluding 21 months of service on loan from the County of Los Angeles Office of Auditor-Controller. Mr. SANDBROOK thanked Mr. HELLMOLD for his work since October 2011, while acknowledging that Mr. Hellmold would continue to provide part-time assistance to the Commission, as authorized by the Commission at its meeting of June 5, 2013. Commission President KNABE stated that he was aware that the County Auditor-Controller, Wendy Watanabe, would be welcoming Greg's return to the staff of that office, but that the Commission was very appreciative to Mr. HELLMOLD for all of his efforts on behalf of the Commission during very challenging circumstances.

Mr. HELLMOLD then presented the monthly consolidated financial report for the month of May 2013, as provided in the Agenda Book. Mr. HELLMOLD informed the Commission that the net income report showed:

- For the month of May 2013, actual net income/ (loss) was (\$579,682), compared to the budgeted net income/ (loss) of (\$683,500) for the month, a positive variance of \$103,818.

Mr. HELLMOLD referred the Commission to the printed report in the Agenda Book for the other information. The report stated that:

- For YTD (July 1-May 31), actual net income/ (loss) was (\$4,093,219), compared to the budgeted net income/ (loss) of (\$4,699,058), a positive variance of \$605,836, or 13%.
- The Commission's cash balance as of May 31 was \$1,465,095, compared to \$637,620 as of April 30.

Mr. HELLMOLD then reported to the Commission that an initial draw of \$1,000,000 had been received by the Commission on May 20 from USC pursuant to the revolving line of credit of \$1,500,000 established under the USC Loan Agreement that had been executed on May 14, 2013. He also referred to the printed statements in the agenda book for the other non-recurring inflows and outflows during May 2013, including receipt of an insurance settlement from CHUBB & Son and payment of the settlement to the IATSE Retirement Trust Fund.

Mr. HELLMOLD then reported to the Commission on the revisions that had been made to the Commission's various insurance policies. Following discussion about the amount of premiums associated with the Directors and Officers insurance policy, it was moved by Commissioner SONNENBERG and seconded by Commissioner YAROSLAVSKY that the amount of coverage for the Directors and Officers policy be continued at \$3.0 million rather than decreased to \$1.0 million. Commission President KNABE asked if there were any objections and, hearing none, announced

that management was instructed to maintain the D&O policy at \$3.0 million.

Commissioner SONNENBERG also moved that the Commission's crime insurance policy be continued until June 30, 2014 rather than lapse on July 31, 2013. Commissioner PRICE seconded this motion. Commission President KNABE asked if there were any objections and, hearing none, announced that management was instructed to maintain the crime insurance policy through June 30, 2014.

Mr. HELLMOLD then reported that the General Liability policy, with \$3.0 million coverage, and the Umbrella policy, with \$10 million coverage, had been extended to August 15, 2013. Mr. HELLMOLD stated that, due to increases in premiums related to recent claims history, management would be proceeding with reducing total coverage to \$2.0 million as of August 16, 2013.

Mr. HELLMOLD then reported to the Commission as to the work plan for financial reporting activities through December 2013 and referred the Commission to the specific schedule set forth in Agenda Item OPEN-2. Mr. HELLMOLD stated that the target date for the presentation by McGladrey LLP to the Commission of the audited financial statements for the fiscal year ending June 30, 2013 was the December 2013 meeting of the Commission on December 4, 2013, to be followed by the filing by McGladrey of the IRS Form 990 for the Coliseum Association, Inc. for the same fiscal year.

3. Agenda Item OPEN-3: Event Report

Mr. SANDBROOK asked Joe FURIN, Senior Director-Operations, to join him for presentation of this agenda item providing the standard Event Report on: (a) completed events; (b) scheduled events; and (c) status of other events previously approved by the Commission. In addition, the advance booking calendar through December 31, 2013 was also included with the agenda item.

Mr. SANDBROOK and Mr. FURIN reported on the four events held since the last meeting of the Commission on June 5:

- Sports Arena -- Monday, June 10 – Sony Corp. corporate presentation
- Sports Arena – Sunday, June 16 – Radio Guadalupe Ministry Event
- Sports Arena – Thursday, June 27 – Bell High School Graduation
- Coliseum – Thursday, July 4 – City of Los Angeles Fireworks Program

Mr. SANDBROOK and Mr. FURIN also reported that the Sports Arena had also been rented from July 6 through July 21 by a major rock band for technical rehearsals prior to a U.S. tour schedule in August. The band is also discussing the possible use of the Sports Arena for another multi-week period in September for additional rehearsals.

Mr. SANDBROOK and Mr. FURIN also reported that the following events were scheduled through September 30, recognizing that the next meeting of the Commission is on September 11:

COLISEUM

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| • Saturday, August 24 | Mothers-in-Action Back to School Event |
| • Saturday, September 7 | USC Football—Washington State |
| • Saturday, September 14 | USC Football—Boston College |
| • Saturday, September 21 | USC Football—Utah State |
| • Saturday, September 28 | Marathon Kids (may be held on October 12) |

SPORTS ARENA

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|-------------------------|--|
| • Saturday, July 27 | Latin Dance |
| • Sat-Sun, August 3-4 | Juventud Renovada Religious Ministry event |
| • Sat-Sun, August 24-25 | Korean Cultural Festival and Concert |
| • Tuesday, September 3 | Rock Concert-Black Sabbath |

Mr. SANDBROOK also reported that, since the last meeting of the Commission on June 5, four events approved for the Coliseum/Sports Arena have been cancelled by the event organizers. These cancelled events were:

- | | |
|-------------------------|---|
| • Saturday, June 22 | AEG/Goldenvoice Concert/Jang Keun-Suk |
| • Wednesday, July 3 | International All-Star Soccer Game--“Messi & Friends” |
| • Sunday, July 21 | World All-Star Soccer Game |
| • Sat-Sun, August 17-18 | El Sembrador Religious Ministry Event |

Mr. SANDBROOK also referred the Commission to the mid-year Filming Activity Report included in Agenda Item OPEN-3 and commended Jon Lee of the Coliseum staff for his efforts in coordinating these requests.

4. Agenda Item OPEN-4: Update regarding Special Meeting of May 14, 2012

Mr. SANDBROOK asked Mr. Jeffrey HEINTZ of Munger, Tolles and Olson LLP to join him for presentation of this agenda item. Mr. SANDBROOK also introduced Mr. Dan STIMMLER, USC Associate Senior Vice President-Auxiliary Services, who has been appointed to assume Coliseum/Sports Arena operations in the wake of the resignation of USC Vice President Kristina RASPE.

Mr. SANDBROOK reported that Agenda Item OPEN-4 requested approval by the Commission of two additional modifications to the Amended and Restated USC-Coliseum Commission Lease since the most recent set of modifications approved by the Commission at its meeting of May 1, 2013.

Mr. HEINTZ explained that the first set of modifications -- referred to as "Plan A" -- were set forth in Appendix 1 on page 9 of the Agenda Item and would be included in the Amended and Restated USC-Coliseum Commission Lease that was scheduled to be executed by USC on or before Friday, July 26, 2013, with a commencement date of Monday, July 29, 2013.

Mr. HEINTZ then explained that the second set of modifications -- referred to as "Plan B" -- included a provision for USC to cancel the Amended and Restated USC-Coliseum Commission Lease if the Board of Directors of Exposition Park/California Science Center and USC had not executed the Non-Disturbance Agreement, the Tail Lease option agreement, and the Parking Lot Agreement by December 16, 2013.

Mr. HEINTZ explained that this provision was necessary to provide for a USC transfer date on July 29, 2013 in the event that the Board of Directors does not take action at its meeting of Wednesday, July 24, 2013 to approve the long-form documents for these three agreements.

Commissioner SONNENBERG asked if any State of California approval actions were still required for the Amended and Restated USC-Coliseum Commission Lease itself. Mr. HEINTZ and Mr. SANDBROOK stated that no such State action was required since the Coliseum Commission had the authority to enter into this agreement by virtue of the 1988 amendment to the JPA that had been approved by the State, the County of Los Angeles and the City of Los Angeles. Mr. SANDBROOK stated that USC had requested the other three State/USC agreements as pre-requisites and that the "Plan B" modification, with the December 16, 2013 exit option to USC, was intended to provide for USC to implement the Amended and Restated USC-Coliseum Commission Lease for the Fall 2013 season, even if the three State/USC agreements are not completed until after any of the four meetings of the Board of Directors on September 4, 2013; October 2, 2013; November 6, 2013 and December 2, 2013.

Commissioner SONNENBERG moved adoption of the two action items in the agenda item for "Plan A" and "Plan B." Commissioner PRICE seconded the motion. Commission President KNABE asked if there were any objections. Hearing one, Commission President KNABE announced that agenda item OPEN-4 had been approved as presented.

Mr. SANDBROOK reported that the review process by the State of California for the proposed State/Coliseum Commission property transfer agreement and the accompanying amendments to the State/Coliseum Commission leases for the Coliseum and Sports Arena pertaining to the rent due the State from the Commission since July 1, 2012 was underway with the State Public Works Board, based on the Term Sheet approved by the Commission on May 1, 2013 and by the Board of Directors of Exposition Park/California Science Center on June 5, 2013. Mr.

SANDBROOK stated that all parties were of the view that the process would be completed in Fall 2013.

Mr. SANDBROOK reported to the Commission that personnel separation notices had been issued to the Coliseum/Sports Arena staff on July 8, to be effective July 27 but contingent upon the execution of the Amended and Restated USC-Coliseum Commission Lease on or before Friday, July 26. Mr. SANDBROOK further reported that, also on July 7, Associate Senior Vice President STIMMLER and his staff had met with the Coliseum/Sports Arena staff and provided each of them with the offer letter from USC for six-month employment guaranteed, effective July 29, 2013 and contingent upon the execution of the Amended and Restated USC-Coliseum Commission Lease on or before Friday, July 26, 2013.

Mr. SANDBROOK also reported that transition planning activity was continuing at a high rate, with Mr. FURIN and Mr. HELLMOLD working closely with Mr. STIMMLER.

Commission President KNABE stated that the Commissioners were very appreciative to the Coliseum/Sports Arena staff for all of their efforts.

5. Agenda Item OPEN-5 – Ad Hoc Task Force to Review the 1976 Joint Powers Authority (JPA) Agreement

Mr. SANDBROOK reported that the recommendations for revisions in the Restated Joint Powers Authority Agreement of November 9, 1976 – as approved by the Commission at its meeting of June 5, 2013 – would be forwarded to the State of California, the County of Los Angeles, and City of Los Angeles for consideration upon the execution of the Amended and Restated USC-Coliseum Commission Lease, pursuant to the instructions provided by the Commission at its meeting of June 5, 2013.

Mr. SANDBROOK stated that the City of Los Angeles City Council, on June 5, 2013, had already adopted a resolution, in anticipation of the recommendations, that, for the three-member Coliseum Commission: (a) the City of Los Angeles member would be appointed by the Mayor, subject to confirmation by the City Council; and (b) the City of Los Angeles alternate would be appointed by the President of the City Council.

Mr. SANDBROOK also reported that he had met three times with Ms. Sachi HAMAI, County of Los Angeles Board of Supervisors Executive Office, with respect to the proposal the Commission had requested be prepared for submittal in September 2013 for that office to assume responsibility of supporting the Commission on an ongoing basis. Mr. SANDBROOK reported that Ms. HAMAI had already prepared a draft proposal and that both he and Ms. HAMAI expected to be able to meet the September 2013 deadline for the submittal of the proposal to the Commission.

6. Agenda Item OPEN-6: Coliseum Commission Resolution re 2024 Olympics

Mr. SANDBROOK announced that Commissioner SANDERS, who also serves as President of the Southern California Committee for the Olympic Games, had asked that the Commission agenda include a possible resolution for the Commission to adopt that would indicate the Commission's support of the proposal for Los Angeles to be considered by the U.S. Olympic Committee as the U.S. candidate city for submittal to the International Olympic Committee in 2015 for designation in 2017 as the host city for the 2024 Olympics. Mr. SANDBROOK stated that such a resolution from the Commission would be similar to the statements of support provided earlier in 2013 from: (a) USC; (b) Secretary Anna Caballero, State and Consumer Services Agency; and (c) Board of Directors, Exposition Park/California Science Center.

Commissioner SANDERS provided an explanation of the proposed resolution included in the agenda book but added that the references to the 2024 Olympic Games would be supplemented

by an additional reference to the 2024 Paralympic Games that follow each Olympic Games.

Commissioner SANDERS moved for adoption of the resolution, addressed to the Southern California Committee for the Olympic Games, and for instructions to Commission President KNABE to transmit the resolution. Commissioner SONNENBERG seconded the motion.

Commission President KNABE asked if there were any objections to the motion. Hearing none, Commission President KNABE announced the motion had been approved.

7. Agenda Item OPEN-7: Court of Honor Plaque Recognizing Coliseum Commission Members for 1999-2013

Mr. SANDBROOK stated that Agenda Item OPEN-7 had been requested as an action item at the meeting of July 17, 2013 by Commission President KNABE as part of the discussion at the meeting of June 5, 2013 regarding the list of individuals who had served as a Commissioner, Alternate Member or Ex-Officio members of the Commission since 1999. Mr. SANDBROOK explained that the Coliseum Court of Honor already includes four bronze plaques recognizing individuals for their service on the Commission for earlier periods and that the most recent plaque had been installed in 1998.

Mr. SANDBROOK stated that, since the proposed plaque would not include a sculpted relief, the preliminary cost estimate submitted by the manufacturer of previous plaques was approximately \$15,500, plus tax. Mr. SANDBROOK that an eight-weeks manufacturing time should be allowed. Mr. SANDBROOK also confirmed that the list of names had been revised to include the name of Curren Price as the newest Commissioner.

Commission President KNABE explained to the Commission the reasons for this proposal. Commissioner YAROSLAVSKY asked that the text of the plaque, separate from the names, be succinct. Mr. SANDBROOK indicated that he would submit the proposed text to Commissioner

President KNABE for approval.

Mr. SANDBROOK also stated that he recommended that the list of names be only for those who had served as Commissioners, Alternate Members or Ex-Officio members. Mr. SANDBROOK stated that the similar 1970 and 1998 plaques had included the names of the individuals who had served as counsel to or in executive management positions for the Commission, but that he was recommending that the 2013 plaque not included these names.

Mr. SANDBROOK also noted that the date of the installation of the Court of Honor plaque commemorating the June 1990 "Tribute to Mandela" event, as approved by the Commission at its meeting of February 6, 2013, had not yet been established.

Commissioner KNABE moved approval of the Court of Honor plaque to recognize the 42 individuals who had served as a Commissioner, Alternate Member or Ex-Officio member between 1999 and 2013. Commissioner SONNENBERG seconded the motion. Commission President KNABE asked if there were any objections. Hearing none, Commission President KNABE announced that the agenda item was approved.

8. Agenda Item OPEN-8: Recognition of Coliseum/Sports Arena Staff

Mr. SANDBROOK stated that he had specifically designated the last item in the Open Session agenda for the meeting of July 17 to be in recognition of the Coliseum/Sports Arena staff. Mr. SANDBROOK reminded the Commission that the staff had not received a Cost-of-Living adjustment since July 1, 2010 and that the schedule of their individual compensation had been presented to the Commission at earlier meetings.

Mr. SANDBROOK stated that it was anticipated that the Commencement date of the Amended and Restated USC-Coliseum Commission Lease would be Monday, July 29, at which time the approximately three dozen members of the staff would no longer be in the employment of

the Commission. Mr. SANDBROOK indicated that the work and effort of the staff during the past two years had largely gone unnoticed, and he wished to commend the staff to the Commission.

Mr. SANDBROOK reported that Commissioner KNABE and Alternate Member LA BONGE had already agreed to arrange for Certificates of Appreciation to be issued from the County of Los Angeles and City of Los Angeles, respectively, to each individual.

Commission President KNABE stated that each member of the Commission was very appreciative to the staff for their dedication to the Coliseum and Sports Arena.

Commissioner SANDERS introduced a motion asking that, in addition to the Certificates of Appreciation from the County of Los Angeles and from the City of Los Angeles, each staff member receive an individual letter from Commission President KNABE to provide a written record and statement of appreciation from the Coliseum Commission also. Commission KNABE seconded the motion.

Commission President KNABE asked if there were any objections. Hearing none, Commission President KNABE announced that the motion introduced by Commissioner SANDERS was approved and instructed Mr. SANDBROOK to work with his office for the preparation of such letters to the staff.

Mr. SANDBROOK stated that this concluded the Open Session report from the office of the General Manager and invited questions or new topics. Hearing none, Commission President KNABE requested Commission legal counsel to announce the start of Closed Session.

CLOSED SESSION

Attorney FAUGHNAN announced that the Commission would meet in Closed Session regarding the matters listed on the printed agenda. Closed Session commenced at 3:40p.m.

RETURN TO OPEN SESSION

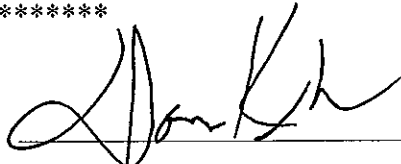
Following the conclusion of Closed Session, the Commission returned to Open Session at 4:45pm.

REPORT OF ACTIONS TAKENS DURING CLOSED SESSION


Attorney FAUGHNAN announced that that there were no reportable actions taken by the Commission during Closed Session.

ADJOURNMENT

Announcing the completion of the business set forth on the printed agenda, President KNABE declared the meeting of the Coliseum Commission to be adjourned at 4:48pm.



President



Secretary