

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

May 1, 2013

CALL TO ORDER

The Regular Meeting of the Los Angeles Memorial Coliseum Commission was convened in the Commission Board Room on Wednesday, May 1, 2013, and called to order at 2:40 p.m. by President Don KNABE.

PRESENT: Commissioner Don Knabe, President
Commissioner Johnathan Williams, Vice President
Commissioner William Chadwick, Secretary
Commissioner Bernard Parks (arrived at 2:50pm)
Commissioner Mark Ridley-Thomas
Commissioner Barry Sanders

ALSO PRESENT: Attorney Thomas Faughnan
Attorney Donovan Main
Attorney Noreen Vincent
Mr. Greg Hellmold, interim Director of Finance
Mr. Joe Furin, Senior Director-Operations

ABSENT: Commissioner Michael Antonovich
Commissioner Glenn Sonnenberg
Ex-officio member Senator Rod Wright
Ex-officio member Assemblymember Reginald Jones-Sawyer
Mr. John R. Sandbrook, interim General Manager

PUBLIC COMMENT

President KNABE invited Public Comment, to which three individuals responded. Ms. Kristen Gonzalez, on behalf of Elite Show Services, Inc. of San Diego, CA spoke as that company's interest in responding to any Request For Proposal issued for building security and event management services at the Coliseum. Mr. Joe Essy commented on the importance of the pending bid from Los Angeles for the

possible hosting of the 2024 Olympics and on the need for the Coliseum peristyle steps to be repaired following the April 27 Stadium Super Truck Series event. Mr. David Roberts spoke on behalf of the Friends of EXPO Center support organization as to: (a) the importance of continuing cooperation between the Coliseum and the EXPO Center as to parking needs of Coliseum events; and (b) an EXPO Center fundraising event on June 26 honoring Mr. Jim Hill.

APPROVAL OF MINUTES

Approval of the minutes of the meeting of April 3 was moved. Commission President KNABE asked if there were any objections. Hearing none, Mr. KNABE declared the minutes of the meeting of April 3 to be approved.

PRESIDENT'S COMMENTS

President KNABE announced that the General Manager's reports and agenda items today would be presented by interim Director of Finance Greg Hellmold due to the approved absence of interim General Manager John Sandbrook.

GENERAL MANAGER'S REPORT

1. Agenda Item OPEN-1: Financial Report

Interim Director of Finance Greg HELLMOLD presented the monthly consolidated financial report for the month of March 2013, as provided in the Agenda Book. Mr. HELLMOLD informed the Commission that the net income report showed:

- For the month of March 2013, actual net income/(loss) was (\$842,387), compared to the budgeted net income/(loss) of (\$778,753) for the month, a negative variance of (\$63,634).

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-March 31), actual net income/(loss) was (\$3,059,311), compared to the budgeted net income/(loss) of (\$3,430,986), a positive variance of \$371,675.
- The Commission's cash balance as of March 31 was \$193,284, compared to \$469,554 as of February 28.

Mr. HELLMOLD then summarized for the Commission the materials in the Agenda Book for: (a) the update on the various insurance policies that had been renewed for the Coliseum Commission, particularly the general liability and umbrella insurance coverage that had expired on April 26, 2013. Mr. HELLMOLD indicated that the general liability coverage renewal through June 30, 2013 had been executed with the same carrier as before: American Specialty/Axis Specialty Insurance Company. Mr. HELLMOLD indicated that the umbrella policy coverage would now be provided by Torus Insurance Company through June 30, 2013, but that the policy limit would be \$10,000,000 instead of the previous \$25,000,000.

Mr. HELLMOLD then reported that the submittal of the IRS Form 990 for the Coliseum Association, Inc. for the fiscal year ending June 30, 2012 had been completed by McGladrey LLP and distributed on April 19, 2013 to the members of the Board of Directors of the Coliseum Association, Inc. for review. The Form 990 was then filed on April 24, 2013 with the IRS by McGladrey LLP, on behalf of the Association, before the deadline of May 15, 2013.

Mr. HELLMOLD then reported that negotiations for a contract extension through June 30, 2013 had been completed with UNITE HERE, the collective bargaining agent representing the food service workers at the Coliseum/Sports Arena. Mr. HELLMOLD stated that approval of the contract extension would be requested from the Board of Directors of the Coliseum Association, Inc. at a meeting scheduled follow today's meeting of the Coliseum Commission.

Mr. HELLMOLD then reported that the proposed 2013-2014 operating and litigation budgets would be presented to the Commission for consideration at its next meeting on June 5, 2013.

2. Agenda Item OPEN-2: Update regarding Special Meeting of May 14, 2012

Mr. HELLMOLD asked USC Vice President Kristina RASPE to join him for presentation of this agenda item.

Vice President RASPE reported that the discussions between representatives of the State of California and USC were near conclusion regarding: (a) the operation of the parking lots in Exposition Park; (b) the operation and possible redevelopment of the Sports Arena by USC under the Amended and Restated USC-Coliseum Commission Lease; (c) event scheduling parameters and protocols to be followed by USC with respect to other Exposition Park entities for event scheduling in the Coliseum and Sports Arena; and (d) operation of the 110 Freeway Sign by USC under the Amended and Restated USC-Coliseum Commission Lease.

Ms. RASPE reported that it is USC's understanding that the Board of Directors of the California Science Center/Sixth District Agricultural Association and the State and Consumer Services Agency would be publishing the results of the negotiations with USC in a Term Sheet document to be released to the public in mid-May 2013, followed by the scheduling of public hearings in late May. Ms. RASPE indicated that is USC's further understanding that the agenda of

the next meeting of the Board of Directors on June 5, 2013 would then include the Term Sheet for discussion and possible action.

Commissioner KNABE requested that the Commission receive at its next meeting of June 5, 2013 a further update on State Senate Bill 695, which had been introduced by State Senator Rod Wright on February 22, 2013, as to its possible impact on the State-USC negotiations.

3. Agenda Item OPEN-3: Approval of Term Sheet and Delegation of Authority for Execution of Documents

Mr. HELLMOLD invited Jeffrey HEINTZ, Esq. of Munger, Tolles and Olson LLP, outside counsel to the Commission, to join him for presentation of this agenda item for discussion and possible action.

Mr. HEINTZ explained that the Term Sheet presented for possible action was the result of the March 27 negotiation meeting between two members of the Board of Directors of the California Science Center (Ms. Renata Simril and Ms. Irene Romero), Commission President KNABE, and interim General Manager SANDBROOK to address: (a) rent payments not made by the Commission to the State since July 1, 2012 as required by the two State-Coliseum Commission leases for the Coliseum and Sports Arena; (b) the revenue-sharing payments due the Commission from the State from Parking Lot 3; (c) the claim by the State that the Commission should be billed for 150 parking permits on North/South Coliseum Drive for each of the 31 USC home football games since 2008; (d) clarification of the direct rental payments to be made by USC to the State upon the commencement of the Amended and Restated USC-Coliseum Commission Lease; (e) clarification as to the Commission's allocation to the Exposition Park Improvement Fund of any participation rent the Commission might receive through December 31, 2054 from the Amended and Restated USC-Coliseum Commission Lease; (f) confirmation that the State-Coliseum lease for

the Coliseum includes the two Olympic statues erected in 1984 in the Coliseum peristyle plaza; (g) clarification on the limitation of the number of major events (defined to be an event with attendance of 25,000 or more) permitted to be held annually in the Coliseum or Sports Arena; and (h) the possible reconveyance by the Coliseum Commission to the State of the five parcels purchased by the Commission and now part of Exposition Park parking lot no. 1, parking lot no. 3 and Jesse Brewer Park.

Mr. HEINTZ stated that the components of the Term Sheet were consistent with the report provided to the Commission in Closed Session at the Commission meeting of April 3, 2013. Mr. HELLMOLD stated that the Term Sheet had been posted for public information on the Coliseum Commission website beginning April 23, 2013, which had also been noted in public session at the May 1 meeting of the Board of Directors of the California Science Center.

Mr. HEINTZ explained that execution of an agreement between the State of California and the Coliseum Commission on these matters would then satisfy the requirement agreed to by the Coliseum Commission with USC that the State of California would have no outstanding claims against the Commission that could interfere with the commencement of the Amended and Restated USC-Coliseum Commission Lease.

Following questions from various Commissioners answered by Mr. HEINTZ, Commissioner KNABE asked for consideration by the Commission of the proposed two actions described in the agenda item. Commissioner RIDLEY-THOMAS moved and Commissioner SANDERS seconded the motion that the Term Sheet be approved and the Commission President be authorized to execute appropriate legal documents, subject to concurrence by Commission counsel as to approval for legal form. The motion was approved by a vote of four aye votes (KNABE, WILLIAMS, RIDLEY-THOMAS, SANDERS), one nay vote (PARKS), and one abstention (CHADWICK).

4. Agenda Item OPEN-4 – Approval of Certain Revisions to Amended and Restated USC-Coliseum Commission Lease adopted by the Commission on May 14, 2012.

Mr. HELLMOLD asked Mr. HEINTZ and USC Vice President RASPE to join him for presentation of this agenda item for discussion and possible action.

Mr. HEINTZ explained that this agenda item presented a series of revisions to the Amended and Restated USC-Coliseum Commission Lease document which had been approved by the Commission on May 14, 2012 but had not yet been executed by USC.

Mr. HEINTZ referred to the table presented in the agenda item that listed each proposed revision as well as the copy of the entire agreement showing the proposed revisions in “red-line” format. Mr. HELLMOLD reported to the Commission that the agenda item (including the summary table) and the complete document (with changes) had been posted on the Coliseum Commission public website on April 23, 2013.

Mr. HEINTZ explained to the Commission that the proposed revisions were companion to and consistent with the Term Sheet approved by the Commission as part of Agenda Item Open-3 in its previous action before this agenda item.

Vice President RASPE reported to the Commission that USC had approved each of the proposed revisions and was in agreement with each proposed revision. Vice President RASPE that, once the State and USC had executed the expected agreement between them as earlier described in Agenda Item Open-2, USC would then execute the Amended and Restated USC-Coliseum Commission Lease, concurrent with the execution by the Coliseum Commission of the proposed amendments to the State-Coliseum Commission lease agreements for the Coliseum and Sports Arena as described in Agenda Item Open-3.

After questions from the Commission, Commission President KNABE asked for consideration and action by the Commission of Agenda Item Open-4. Commissioner SANDERS moved and Commissioner KNABE seconded the motion to approve Agenda item Open-4. The motion was approved with four aye votes (KNABE, WILLIAMS, RIDLEY-THOMAS, SANDERS), one nay vote (PARKS), and one abstention (CHADWICK).

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

Commissioner RIDLEY-THOMAS reported to the Commission that meeting no. 5 of the Ad Hoc Task Force to Review the Joint Powers Authority (JPA) Agreement had been held on April 22 and, as a result of that meeting, agreement had been reached as to recommendations for revisions to the Joint Powers Authority management agreement. Mr. RIDLEY-THOMAS noted that Commission counsel FAUGHNAN had distributed in advance to each member of the Commission via Email a copy of the entire agreement, showing the possible recommended revisions in red-lined format.

Mr. RIDLEY-THOMAS stated that the final report of the Ad Hoc Task Force would be forthcoming at the next Commission meeting of June 5. Mr. RIDLEY-THOMAS reminded the Commission that, should the Commission endorse the recommendations of the Ad Hoc Task Force, the proposed revisions would then need to be transmitted to the appropriate offices for the three constituent entities – State of California, County of Los Angeles, City of Los Angeles – for consideration and approval. Approval by all three entities would then be required before any changes in the management agreement could become effective.

6. Agenda Item OPEN-6: Event Report

Mr. HELLMOLD 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. FURIN described each of the three upcoming events in the Coliseum/Sports Arena before the next meeting of the Commission on June 5:

- Sports Arena -- Thursday, May 2 – Rock Concert

This evening event features the band “The Killers”. Approximately 13,000 tickets have already been sold for this concert.

- Coliseum – Saturday, May 11 – Revlon Run

This morning fundraising event was expected to involve an estimated 25,000 participants in a 5K run starting on Figueroa Street and ending in the Coliseum.

- Sports Arena – Sunday, May 19 – USA Wrestling Exhibition

This afternoon competition event was expected to feature wrestlers from the national teams of the U.S., Iran, and Russia in an effort to increase public awareness of wrestling as an Olympic sport. A similar competition was scheduled for New York City on May 15. Attendance of perhaps 4,000 was expected.

Mr. FURIN also reported that, subsequent to the publication of the written agenda item:

- The Throwback Flag Football Game scheduled for May 5 had been cancelled by the event organizer, the National Throwback Football League, Inc. of San Marino, CA.

- The date/time of the major international all-star soccer game in the Coliseum in early July and, as a result of this second change, the event would be held on the originally-proposed date of Wednesday evening, July 3, 2013.

Mr. HELLMOLD 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 3:30p.m.

RETURN TO OPEN SESSION

Following the conclusion of Closed Session, the Commission returned to Open Session at 4:00pm.

REPORT OF ACTIONS TAKENS DURING CLOSED SESSION

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

5. Agenda Item OPEN-7: Extension of Employment Contract

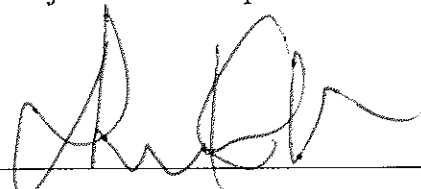
Commissioner KNABE stated that the current employment contract of Mr. John R. Sandbrook as interim General Manager and interim Chief Administrative Officer, which had been previously extended six times in the past two years, was due to expire on May 4, 2013. Mr. KNABE also stated that the Commission had received and discussed in Closed Session a

performance evaluation report prepared by Dr. Susan Stang of Performance Solutions, Ltd. of Westlake, OH, who is also retained by the County of Los Angeles to prepare similar reports for selected County of Los Angeles department heads.


Commissioner CHADWICK moved that the employment contract of Mr. Sandbrook be extended until the Amended and Restated USC-Coliseum Commission Lease became effective, i.e., the date on which USC would assume Coliseum/Sports Arena operations and personnel. The motion was seconded by Commissioner SANDERS. Mr. KNABE asked if any member of the Commission had any objections. Hearing none, Mr. KNABE stated that the motion was adopted.

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 4:03pm.



President



Secretary