

**MINUTES OF
THE MEETING OF
THE BOARD OF DIRECTORS OF
THE INDIANA SOCCER ASSOCIATION MARCH 30, 2013**

Pursuant to duly delivered notices, a meeting of the Board of directors of the Indiana Soccer Association (“ISA,”) was held on March 30, 2013, at the offices of the Indiana Soccer Association in Indianapolis. Present at the meeting in person were directors Alan Brown, Joe Fistrovich, Mo Merhoff, Larry Rowland, A.L. Smith, and present by phone were Murray Clark and Tony Zirille constituting a majority of the members of the Board. Also in attendance were David Guthrie, executive director of Indiana Soccer, and ex-officio member of the Board, and Don Rawson. Noting the presence of a quorum, Mr. Clark, as chair, called the meeting to order at 9:00 a.m. Each director present for the meeting was provided with a copy of materials to be discussed at the meeting, most of which had been previously distributed by Executive Director Guthrie.

The Chair asked the board to review the minutes of the January 19, 2013, Board and Annual meetings. After review, upon motion by Ms. Merhoff and second by Mr. Smith, both the minutes were unanimously adopted as presented.

President Clark called upon Mr. Brown for a report on the status of the Grand Park Management Agreement being negotiated between ISA and the City of Westfield. Mr. Brown reported that both sides had met on March 21, including Westfield Mayor Cook, in an effort to resolve the open issues in the document. He reported that ISA had provided a list of items that it still needed to have addressed and was waiting to hear the City’s response to those items.

Mr. Guthrie reported that he and Mr. Zirille had engaged in several discussions regarding concerns about the Management Agreement and asked Mr. Zirille to comment on those concerns. Mr. Zirille expressed the following about the current version of the Agreement: concern that the right to allow ISA to bring certain events and sponsors into the park was not consistent with the parties’ original intent; concern about ISA’s right to terminate the Agreement if the revenues and expenses did not meet expectations, especially the obligation to make scheduled escrow payments; concern that the Agreement placed more maintenance responsibilities on ISA than was contemplated in the Letter of Understanding; lack of clarity as to who would receive some types of revenue from park activities. He also raised the issue of creating an affiliate to enter into the agreement to protect ISA from the risk of financial failure.

Mr. Fistrovich expressed his concerns with the slim profit margin that was reflected in the most current pro forma and the effect this would have on ISA’s cash flow, especially after the escrow payment obligations began. He indicated he could not support the project based on the pro forma. Mr. Rawson explained some of the assumptions that went into the pro forma and advised that he considered it to be very conservative on the revenue side. Mr. Rowland summarized the concerns as whether we could generate more revenue out of the project while driving out some of the risks and costs.

Mr. Zirille expressed that the current structure of the deal did not appear to be break-even at worst. He suggested that the deal be restructured to cap ISA’s commitment to the net revenue

from the project so that there was not a commitment by ISA to pay funds beyond those generated by Grand Park. Mr. Brown observed that the Board's major issues of concern seemed to be capping the organization's escrow obligations to net revenue generated, providing ISA with termination rights if the project did not prove to be viable, and getting better terms on the expense obligations. He stated that the expense issues relating to maintenance had been teed up with the City and we were waiting for a response but a proposed cap on the escrow obligation limited to net revenue was a new concept that had not been discussed. Ms. Merhoff observed that this was a bold, visionary project for the organization and there was always risk inherent in getting involved in such projects.

The consensus of the board was that the negotiating team should seek modifications to the current Agreement that would cap ISA's risk so that obligations would not exceed net revenue generated by the park, while working to reduce maintenance and other expense obligations. Mr. Zirille agreed to provide his comments to Mr. Guthrie so that negotiations could proceed toward a goal of containing ISA's obligations in a way that would not negatively affect ISA's core mission.

Discussion followed regarding the proposed Grand Park indoor facility. Mr. Zirille reported that ISA is in discussions with the City so that financing could move forward. He described the status as working on a roadmap that will get us on track to a letter of understanding. He stated that there is a small chance the City will not be able to finance the project so at this time, we could not commit to any deal. Mr. Guthrie advised that an unidentified investor was now interested who had the financial ability to make a significant cash contribution to the project and who ultimately might want to own of the facility.

Mr. Smith was asked to provide an update regarding the possible involvement of the YMCA at Grand Park. He reported that there had been a meeting among the YMCA, the City and the developer and the YMCA remains interested in getting involved in Grand Park. The Y has some concerns about being attached to the indoor soccer facility so a free-standing building might be more attractive to them. Mr. Smith does not expect the Y to move quickly on this.

Mr. Fistrovich presented the treasurer's report. He pointed out that the budget had only \$17,000 of cushion so small negative swings in operations would eliminate that cushion. He identified a couple areas of concern where we have fallen behind budget; specifically, marketing and ODP, which were lagging behind on revenue to the point that they would wipe out the \$17,000 positive projection. Mr. Guthrie confirmed that we likely will miss the budgeted number for marketing revenue. Mr. Fistrovich reported that we are behind on the registration budget revenue projection but it was too early to know if this would be the final outcome. Mr. Guthrie stated that holistically, he expected us to hit the overall positive budget number, but there were going to be pluses and minuses from budget on some of the line items.

The executive director provided FYI items. He reported that the Jordanian goodwill visit had gone well for the Indiana contingent and the State Department was pleased with the program, which has been excellent exposure for Indiana Soccer. He noted that he expects a shortfall on registration, perhaps totaling \$4000 in revenue. The shortfall appears to be on the travel side, following a national trend of falling travel numbers caused by migration of players

from travel to less competitive play. Mr. Guthrie reported a recent meeting with U.S. Club Soccer to better understand what they are offering and where their program is going. He commented that as a service organization, we need to provide options to serve the full spectrum of our members and potential members, and that could include U.S. Club Soccer.

Mr. Rawson reported that the City of Westfield recently approved \$25 million in financing for Grand Park. This makes it a certainty that the City has the funds necessary to complete the project.

Mr. Fistrovich observed that the organization's strategic plan is obsolete and needs to be re-examined, as the organization is moving down a different path than was contemplated when the strategic plan was created several years ago. Mr. Guthrie observed that the last plan was to cover the years 2007-2012 and much of the plan has been accomplished. He agreed it needs to be revisited.

There being no further business to conduct, the meeting was adjourned at 11:02 a.m.

Future Meeting Dates: July 20, November 2, and December 14, 2013, at 9 a.m. All meetings will be at ISA offices, 5440 Herbert Lord Rd., Indianapolis IN 46216.

Respectfully submitted

Alan S. Brown
Secretary
Indiana Soccer Association
Board of Directors