

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE LOS ANGELES ZOO AND BOTANICAL GARDENS
AND
THE GREATER LOS ANGELES ZOO ASSOCIATION**

LOS ANGELES ZOO TOM MANKIEWICZ CONSERVATION CAROUSEL PROGRAM

This Memorandum of Understanding (MOU) is entered into as of July 1, 2016, between the City of Los Angeles through the Department of the Zoo (Zoo) and the Greater Los Angeles Zoo Association (GLAZA) for the transition of the management, operations and maintenance of the Carousel from GLAZA to the Zoo.

1. Governance

Operating Agreement

The City of Los Angeles (City), through the Zoo Department, entered into an Operating Agreement with GLAZA for the purposes of obtaining assistance in establishing, developing, beautifying and improving the Zoo (Los Angeles City Council File No. 94-0989-S1). The Operating Agreement was dated July 1, 1997, executed on September 29, 1997 and expires on September 29, 2022. In accordance with Section III of the Operating Agreement, the General Manager of the Zoo Department (Zoo Director) is authorized to enter into one or more memoranda of understanding with GLAZA, on behalf of the City, as sub-agreements which detail the subject matter of the contract, the scope of services and the essential terms of the performance required.

Execution Authority

Each sub-agreement may have a maximum term of three years and is subject to the approval of the City Attorney as to form and legality and shall conform with and carry out the objectives and strategies in the Los Angeles Zoo Business and Marketing Plan (Plan), as approved by the City Council, per the Operating Agreement.

On September 23, 2014, the City Council approved the Zoo's updated Three-Year Business and Marketing Plan (July 2014) (C.F. 14-0600-S223). The Plan, developed by the Zoo and GLAZA and which covers Fiscal Years 2014-15 through 2016-17, outlines four primary goals that focus on the Zoo campus, conservation, community and human capital. The Plan also contains strategies for achieving established goals and includes key metrics and assumptions utilized in the development of the Plan.

2. Background

The Tom Mankiewicz Conservation Carousel (Carousel) is a hand-carved, wooden carousel that was commissioned, constructed and installed by GLAZA. The Carousel, which contains 64 animals and two accessible benches, is located at Tree Tops Terrace and opened to the public in October 2011. Funding for the design and construction of the Carousel and its pavilion structure was secured through funds raised by GLAZA. Upon its completion, the Zoo agreed to have GLAZA maintain, operate and collect fees from the Carousel. As part of this agreement, 100 percent of the fees from the carousel

were to be retained by GLAZA until all of their investment costs for the project were completely recovered. Beginning in Fiscal Year 2012-13, revenue in excess of GLAZA's staffing, operating, and maintenance costs were to be paid to the Zoo, with GLAZA retaining 3% of the gross revenue as part of its concessions administrative fee.

3. Term of the MOU

This MOU is effective for a period of one year, from July 1, 2016 to June 30, 2017 to provide the maximum amount of time for the transition of this program from GLAZA to the Zoo during this time. The scope of services below reflects the planned activity during this transition period. However, the Zoo, effective January 1, 2017 or later, may give GLAZA thirty (30) days' notice shortening the transition period and terminating this MOU as soon as January 31, 2017, and transferring the Carousel Program from GLAZA to the Zoo effective, but no sooner than, February 1, 2017. In addition, the Zoo and GLAZA may amend this MOU by written agreement during its term should they mutually agree to change the program.

4. Scope of Services

This MOU represents a transition of the management, operations and maintenance of the Carousel from GLAZA to the Zoo in accordance with the 2016-17 Adopted Budget of the City of Los Angeles. The Budget provided funding for staffing and expenses to facilitate the transition effective July 1, 2016. In order to facilitate the transfer of this function to the Zoo, infrastructure and technology improvements are required to be performed by the City's Information Technology Agency. Due to unforeseen delays, the parties have agreed to continue GLAZA's operation and maintenance of the Carousel until the transition is complete.

Daily Operations

During the transition, GLAZA agrees to continue to operate the Carousel in accordance with the standards of the State of California and any other regulatory body with appropriate jurisdiction. GLAZA will also maintain all required permits for its operations and secure the appropriate business property insurance and general liability insurance naming the Los Angeles Zoo and the City of Los Angeles as additional insureds.

The Carousel will operate seven days per week, 364 days per year (only closed on Christmas Day). The operating hours will be as follows:

Weekdays: 11:00am – 4:45pm

Weekends and Holidays: 10:15am – 4:45pm

The daily operating schedule may change as necessary with the Zoo being provided at least 24 hours' notice of said change.

Pricing

Daily Operations

The current fee is \$3 per rider for adults and children. Any child under 42 inches in height must be accompanied by one adult at no additional charge. GLAZA Members do not receive a discount on the standard pricing. Any change in pricing during the term of this MOU must be agreed upon in advance by the Zoo.

Maintenance

During the transition, GLAZA agrees to continue to maintain the Carousel in accordance with the standards of the State of California and any other regulatory body with appropriate jurisdiction, ensuring operational safety for Zoo patrons and GLAZA employees.

5. Carousel Revenue Sharing Agreement and Financial Reporting

During the term of this MOU, GLAZA will collect all Carousel ridership fees and pay its staffing, operating expenses, maintenance and related costs from this revenue sources. After these costs are paid, the Zoo shall receive the net revenue, with GLAZA retaining 3% of the gross revenue as part of its concessions administrative fee. GLAZA shall provide a Carousel revenue transfer on a monthly basis. GLAZA shall also provide detailed monthly reports on revenue and expenditures to ensure a transparent and auditable financial accounting of the Carousel Program. While GLAZA continues to operate and maintain the Carousel Program, financial projections are reflected in the table below:

	Partial Fiscal Year 2016-17*
Revenue	
Carousel Gross Revenue	\$255,036
Distribution of Revenue	
GLAZA – Direct Expenses	\$118,006
GLAZA – 3% of Gross Revenue (Admin Fee)	\$ 7,651
Net Transfer to Zoo Enterprise Trust Fund (ZETF)**	\$129,379
TOTAL	\$255,036
<i>*(Projections for 7/1/16 through 1/9/17)</i>	
<i>** Actual transfers to the ZETF occur two months in arrears and are recorded by the Zoo Department based on the date of deposit.</i>	

6. Transition of Carousel Operations

The targeted date of transition of the Carousel Program from GLAZA to the Zoo is January 9, 2017 to coordinate with the completion of the Zoo Lights program. During the time, the Zoo will coordinate with the City's Information Technology Agency to complete the necessary infrastructure improvements to facilitate the tie-in of carousel

sales with the Zoo's admission point-of-sales system. Once the tie-in is complete, systems testing will take place to ensure its effectiveness and readiness. During this time, Zoo Operations will coordinate and implement a hiring plan to facilitate the appropriate staffing and training to ensure a smooth transition. Training of current admissions supervisors and staff will take place during this time as well as scheduling permits. The Zoo requires the following as part of the preparation of and the actual transition:

- Copies of all instruction, operating, and maintenance manuals and records;
- All keys and associated operating and maintenance equipment;
- Any and all information on established and other maintenance contracts and vendors;
- Transfer of all tokens and token machine; and
- Historical ridership and revenue information and demographic reports for all prior years.

The Zoo will confirm with GLAZA the final transition date at least 30 days in advance to facilitate a seamless turnover of the operations and maintenance of the Carousel Program.

7. Miscellaneous Provisions

7.1 *Choice of Law & Venue* - Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City of Los Angeles. Unless where preempted by Federal laws, this MOU shall be enforced and interpreted under the laws of the State of California and the City of Los Angeles, without any regards to the conflict of law principles. Parties hereby agree to submit to the exclusive jurisdiction of and venue in the courts of competent jurisdiction in the County of Los Angeles in any disputes related to or arising out of this MOU.

7.2 *Merger* - This MOU constitutes the full agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements or MOUs, whether written or oral, with respect to such subject matter.

7.3 *No Intended Third Party Beneficiaries* - Parties herein do not in any way intend to create or confer any benefits to any third party.

7.4 *Waivers* - The failure to exercise any remedy or to enforce any right provided in this MOU shall not constitute a waiver of such remedy or right or of any other remedy or right provided herein. A Party shall be deemed to have waived any remedies or rights hereunder only if such waiver shall be in writing expressly.

7.5 *Assistance* - During the term of this MOU, each Party shall provide such reasonable assistance and cooperation as the other Party may require in connection with performance of the duties and obligations of each Party under this MOU.

7.6 *Assignment* - GLAZA shall not, by contract, operation of law, or otherwise, assign any rights under this MOU (in whole or in part), or delegate performance of any of obligations under this MOU without the Zoo's prior written consent.

7.7 *Headings* - Article and section headings used in this MOU are inserted for convenience only and are not intended to be part hereof or in any way to define, limit, describe or to otherwise be used in interpreting the scope and intent of the particular provisions to which they refer.

7.8 *Representation and Counseling* - Each Party was represented by legal counsel during the execution of this MOU.

7.9 *References to Other Agreements* - All references in this MOU to other agreements or past practices are for reference purposes only, and do not purport to provide validity or interpretation to the reference, the dates of execution, the term of the agreements or the stated purpose or authority of the agreements. The references are mere recitals without legal authority.

Signature page follows:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below.

FOR: The CITY OF LOS ANGELES,
A Municipal Corporation
Acting by and through its
Zoo Department

For: GREATER LOS ANGELES ZOO
ASSOCIATION (GLAZA)

By: _____
JOHN R. LEWIS
General Manager
Zoo Department

By: _____
CONNIE M. MORGAN
President
GLAZA

Date: _____

Date: _____

APPROVED AS TO FORM:
MICHAEL N. FEUER, City Attorney

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By: _____
DOV S. LESEL
Assistant City Attorney

By: _____
Title: _____

Date: _____

Date: _____

Executed this _____ day of _____, 2016.

BUSINESS TAX REGISTRATION CERTIFICATE NO: _____

AGREEMENT NO: _____