

MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN

THE LOS ANGELES ZOO AND BOTANICAL GARDENS ("Zoo")

AND

THE GREATER LOS ANGELES ZOO ASSOCIATION ("GLAZA")

MARKETING AND PUBLIC RELATIONS

AND

SITE RENTALS and CATERED EVENTS

1. Governance

Operating Agreement

The City of Los Angeles, through the Zoo Department, entered into an Operating Agreement with the Greater Los Angeles Zoo Association for the purposes of obtaining assistance in establishing, developing, beautifying and improving the Zoo (Los Angeles City Council File No. 94-0989-S1). In accordance with Section III of the Operating Agreement, the General Manager of the Zoo Department (also known as the Zoo Director) is authorized to enter into one or more Memorandum of Understanding ("MOU") with GLAZA, on behalf of the City, as sub-agreements. The MOU details the subject matter of the parties' understanding, indicates what the parties have agreed to perform, and the consideration to be exchanged between the parties.

Execution Authority

Each MOU shall conform with and carry out the objectives and strategies in the Los Angeles Zoo Business and Marketing Plans, as approved by the City Council, per the Operating Agreement.

On July 15, 2005, the City Council authorized the General Manager of the Zoo Department to enter into MOUs with GLAZA for Fundraising, Membership, Concessions, Financial Assistance, Docent/Volunteer Management and Special Events for a 12-month period, effective from the date of execution. The Council further directed that the Zoo complete the Business and Marketing Plans for the Mayor and Council to approve within the 12-month MOU period (C.F. 02-2884-S2). Since this time, the Zoo has considered the Zoo Department's Adopted Budget, approved by the Mayor and Council annually, as the Zoo's Business and Marketing Plans.

2. Term of MOU

This MOU is effective for a three-year period during the parties' fiscal years, commencing July 1, 2013 through June 30, 2016 ("Term"). The Program Descriptions and Budgets below reflect activity during these entire three fiscal years. The Zoo and GLAZA may amend this MOU by written agreement during its Term should they mutually agree to change the program outlines and budget, or for other reasons. Any amendment shall conform with and carry out the objectives and strategies in the Marketing and Business Plans as approved and adopted by the City Council.

3. Performance by GLAZA and the Zoo

GLAZA and the Zoo will cooperate in a good faith effort to achieve the results projected on the Exhibits to this MOU; however, neither GLAZA nor the Zoo can guarantee that their efforts will achieve such results. Accordingly, where GLAZA and the Zoo have exerted their good faith efforts, their failure to achieve such projected results is not grounds for terminating this MOU.

The Zoo will make good faith efforts to provide the resources, staff, programs and intellectual property necessary to fulfill the Marketing and Public Relations plans. GLAZA will complete annual Marketing and Public Relations plans in sufficient time to inform the Zoo's budget planning each fiscal year no later than February 28th of each year, to conform with and carry out the objectives and strategies in the Marketing and Business Plans as approved and adopted by the City Council.

The Zoo will (a) provide GLAZA with a non-exclusive license for its use of all Zoo trademarks, logos and other marks for the purpose of marketing the Zoo, (b) terminate the existing contracts relating to the Zoo's marketing, advertising and public relations prior to the commencement of this MOU, with the exception of the existing contract with AdEase, which shall be extended through December 31, 2013 for the promotion of the Rainforest of the Americas and (c) request the timely City approval and implementation of an increase to Zoo admission fees up to \$1.00 each year for the Term of this MOU.

4. Program Descriptions

A. Marketing and Public Relations

GLAZA will be responsible for the staffing, design, implementation and management of a comprehensive marketing, strategic branding and public relations program for the Zoo to achieve the goals of expanding external awareness of the Zoo and increasing Zoo attendance, admissions revenue and other forms of earned revenue. GLAZA's objectives during the Term of this MOU will include:

- invest over \$2,000,000 annually in the Marketing and Public Relations program
- generate a total of more than \$6 million of new funding for the Zoo

- increase the Zoo's market penetration of its Metropolitan Statistical Area by a total of 12%
- increase the Zoo's paid attendance by 5% annually
- increase the Zoo's total admissions revenue by 11% annually
- increase the Zoo's other earned revenues (including concessions and membership) by 21% over the Term
- replenish and grow the marketing and public relations budget annually

During the Term, GLAZA will make a good faith effort to achieve the deliverables, milestones and metrics listed on Exhibit A to this MOU.

The Zoo will maintain a staff position to handle the public relations for any crisis situation at the Zoo and to communicate all animal-related information to the media and the general public. GLAZA's Marketing and Public Relations program will coordinate all internal and external promotional messaging to ensure a consistent voice in all of the Zoo's marketing communications. The program and strategies will include, but not be limited to, market research, branding and advertising, media and community relations in connection with special events and promotions, strategic marketing alliances, group sales, tourism and quantitative analysis of marketing results.

Market Research

- Upon approval of this MOU, GLAZA will review the market research recently obtained by the Zoo. Based upon that information, GLAZA will conduct additional market research necessary to develop a new positioning platform, including research that will target current Zoo attendees and non-attendees to identify and prioritize new, multi-ethnic target audiences, as well as reveal the public's current opinions, perceptions and misperceptions of the Zoo. GLAZA has secured a proposal for this additional research and will complete it within six (6) weeks of its commencement.
- Additionally, throughout the term of this MOU, GLAZA will conduct ongoing quantitative analysis to determine the effect of its marketing and public relations efforts on changes in Zoo attendance. GLAZA will deliver to the Zoo monthly projections of attendance to enable the Zoo to optimize its cash flow and to inform the process of planning for years when attendance may be off due to weather and other external factors. Changes to annual paid attendance during the term of this MOU will be compared to 877,000, which is the approximate average annual paid attendance over the past two fiscal years commencing July 1, 2011 through June 30, 2013 (fiscal years 2011-12 & 2012-13). Based on this information, GLAZA will periodically adjust and refine the marketing mix and public relations program to achieve its goals of increasing brand awareness, paid attendance and earned revenue. This does not account for increases in paid attendance resulting from the opening of new exhibits and shows.

- GLAZA and the Zoo agree that a business information/customer relations management system may be helpful to future optimization of customer visitation and spending patterns at the Zoo. During the 2013-14 fiscal year, GLAZA and the Zoo will work jointly to research available business information/customer relations management systems that will provide information on visitors' needs and preferences, and that will enable GLAZA and the Zoo to maximize earned revenues from admissions, concessions, membership and special exhibits and events. GLAZA and the Zoo will explore the costs, benefits and viability of installing a system and decide together whether and how to proceed with its funding, installation and implementation. This will be completed by January 1, 2014.

Branding, Positioning and Advertising

- From March 15, 2013 through October 2013, GLAZA will conduct a strategic planning process with Zoo and GLAZA staff and GLAZA Trustees to create a unified vision for the Zoo's future that will inform its marketing platform and annual marketing plans, the Zoo's overall business plan, planning for the capital campaign and the second phase of the Zoo's master plan.
- Based on the spring 2013 market research findings, and in conjunction with the strategic planning efforts of GLAZA and the Zoo, GLAZA will create and implement a marketing, positioning and public relations plan that will include branding the Zoo to target new audiences with a unified and compelling message. GLAZA will develop annual marketing plans that will maintain a consistent presence in the greater Los Angeles marketplace to make the Zoo a top-of-mind Los Angeles attraction and promote attendance. GLAZA will submit the marketing plan annually to the Zoo Director or the Director's designee for approval.
- GLAZA will hire an advertising firm to coordinate and provide advice on branding, advertising, public relations and media. The Zoo Director or his designee will be part of the selection team for the advertising firm. GLAZA will conduct message testing surveys and focus groups before launching the marketing campaign to ensure the effectiveness of the branding and advertising at increasing audience awareness and generating new Zoo visitors.

Strategic Marketing Alliances and Media Mix

- To increase the Zoo's reach and positive image, GLAZA will develop strategic marketing alliances with local institutions, such as the Natural History Museum of Los Angeles, the California Science Center and the Aquarium of the Pacific, as well as environmentally focused groups such as the Sierra Club, the Nature Conservancy and TreePeople. By creating these alliances and developing productive relationships with these entities, GLAZA will reach a broader audience of potential new Zoo visitors.

- GLAZA will coordinate its ongoing corporate sponsorship program with its marketing program to secure opportunities for cross promotions and marketing alliances with these Zoo supporters that will substantially increase the quantity of the Zoo's market impressions. Income from the corporate sponsorship program will be invested to further GLAZA's marketing and public relations efforts.
- GLAZA will expand the media mix used to spread the Zoo's marketing messages, increase its demographic reach and leverage its financial investment in marketing. GLAZA's media mix may include radio, outdoor advertising, print media, advertising and social media. In addition, GLAZA will maintain and leverage existing media relationships and cultivate new opportunities to partner with local media outlets, such as local public radio stations and foreign language media that have the ability to connect the Zoo to new target audiences. GLAZA will actively cultivate relationships with local journalists to maximize news coverage of events, programs and exhibits and gain positive attention. Media relations will focus on creating brand awareness of the Zoo as a trusted institution for animal care and conservation as well as promote Zoo attendance.
- GLAZA will create a strategy to capitalize on its use of social media to reach new audiences and demographics and to deepen relationships with current Zoo attendees to encourage future visits and purchases. Tactics will include Facebook links to our strategic partners with ongoing conversations about animals and wildlife, active blogs and Twitter accounts, a meaningful presence on additional social media channels such as Pinterest and Foursquare and the creation of a mobile phone app for Zoo patrons.
- GLAZA will work to garner increased tourist paid attendance by partnering with other local tourist destinations such as Universal Studios, Warner Brothers and Disneyland to gain tourists' attention and visitorship. GLAZA will develop an ongoing relationship with the concierges at key local tourist hotels, as well as with major tour operators that target foreign (specifically Asian) visitors to Los Angeles.

Special Events and Exhibits

- GLAZA will assume responsibility for creating, marketing and implementing special events within its annual marketing plans to increase Zoo attendance and admissions revenues. These events will be designed with the goal of bringing new audiences to the Zoo.
- GLAZA will also contract for mission-focused travelling exhibits and shows, as needed to complement the Zoo's programming, and will design and distribute compelling marketing communications to inspire increased Zoo visitorship for these special exhibits and shows.

Staffing

GLAZA will fund, hire and direct a marketing professional who shall report to the GLAZA President to create and implement the marketing, positioning and public relations plan and to direct and manage those ongoing operations. GLAZA will also fund and hire a full complement of staff to carry out this program under the direction of this professional.

Budget and Results

GLAZA's business plan and budget for the Marketing and Public Relations program is attached to this MOU as Exhibit B for illustration purposes only. It details GLAZA's significant financial investment over the three years of the Term and illustrates the substantially increased revenues that should result from these efforts.

During the first year of this MOU, GLAZA will invest over \$2,000,000 to fund the comprehensive Marketing and Public Relations program from its working capital, capacity-building grants, sponsorship program and GLAZA's endowment. In years 2 and 3, GLAZA will invest over an additional \$2,000,000 annually from its share of the increased earned revenue generated by increased Zoo visitorship. GLAZA will also fund the costs of new GLAZA staff in both Marketing and Public Relations and in Group Sales. These investments and the projected increased earned revenues require that the City exercise its authority in its sole discretion to raise the admission fees up to \$1.00 each year for the term of this MOU. GLAZA has projected yearly revenue and expenses for the Marketing and Public Relations program, as illustrated in Exhibit B to this MOU. Net revenues resulting from the marketing effort in excess of expenses will be transferred annually to the Zoo Enterprise Trust Fund, with timing subject to negotiation between the Zoo and GLAZA, but no later than 30 days following the close of each fiscal year. Paid ticket attendance, including the increase in revenue from the admission fee increases, will continue to go into the Zoo Enterprise Trust Fund, unless otherwise authorized by Council as part of the approval of the Business and Marketing Plans.

In three years, GLAZA's marketing and sales efforts should increase general attendance by 5% annually and membership by 3% per year. Group sales and special events admissions should grow by 8% each year. Growing community awareness of the Zoo should result in a 12% increase in its penetration of its Metropolitan Statistical Area ("MSA"). The net result of this growth should be a dramatic increase in new revenues for the Zoo, totaling more than \$6 million over the three-year term of this MOU.

Other Matters

Performance Assessment: Deliverables, metrics and milestones for GLAZA's Marketing and Public Relations program are attached to this MOU as Exhibit A, and will be reviewed on an ongoing basis by the Zoo Director and the GLAZA President.

Success Factors: The success of this program is contingent on satisfaction of the conditions described above and several additional factors, including mutual cooperation, good faith efforts, approval and implementation of increases to Zoo admission fees in the sole discretion of the City, weather conditions, lack of natural disasters including fires and earthquakes which affect the local area, and welfare and safety of the animals at least consistent with the industry standard as required for continued AZA accreditation.

B. Site Rentals and Catered Events

Term

As a component of GLAZA's overall marketing campaign to raise the awareness of the Zoo, GLAZA will market it as a prime venue for catered events. In addition, major catered events are booked months, if not years in advance. Therefore, a one-year term for this MOU is not sufficient to reflect the efforts and rewards of this program.

Staffing

GLAZA will fund, hire and direct a staff (or at its discretion, an outside firm) to market, negotiate, and oversee site rentals at the Zoo, as well as appropriate staff, either directly or through Concessionaire or other catering companies, to oversee individual events including additional non-Zoo staff to undertake custodial and monitoring duties. GLAZA will also hire and manage the group sales efforts required by this MOU.

Venues

Existing Venues: GLAZA will undertake a market survey to determine size and types of events local organizations are planning. GLAZA will also review the current list of Zoo spaces for rent, and work with consultants to determine the best possible use (capacity, type of event, event amenities, etc.) of each site, as well as modifications to these venues to maximize their utility.

Large-Scale Venues: In conjunction with the Zoo, GLAZA will study optimal location(s) for large-scale events (up to 1000 guests) both during public hours and in the evenings, including Tree Tops and the CDC Park. GLAZA and the Zoo will endeavor to prioritize these spaces, and have at least one fully designed and cost-estimated by March 31, 2014. Funding, which will be the result of joint efforts, will be obtained and the venue will be completed by the end of June 30, 2015.

Animal Experiences

The Zoo will develop a flexible and cost-effective program for providing animal experiences at catered events, especially for evening events.

Capital Investment

GLAZA will invest in an inventory of equipment, including such items as heaters, chairs, tables and lighting for groups of 100-250. GLAZA and the Zoo will work jointly to identify potential storage space for this equipment. GLAZA will develop relationships with rental companies to provide additional equipment for larger groups and to offer site renters other affordable options. GLAZA will limit such vendors to those who have demonstrated ability to work with a complicated public site such as the Zoo. Upon expiration or termination of this MOU, all equipment purchased pursuant to this section shall become the property of the Zoo.

Group Admission Sales

As part of developing packages for site renters during public hours, the Zoo authorizes GLAZA to market and sell group paid admission tickets in line with a group sales policy to be negotiated with the Zoo.

Budget and Results

GLAZA's budget and business plan for the Site Rentals and Catered Events program is included as Exhibit C of this MOU. It details GLAZA's significant financial investment over the three years of the Term, and illustrates the substantially increased revenues that should result from these efforts.

During the Term of this MOU, GLAZA will retain all commissions and fees from outside catering and site rentals to cover its expenses, including staffing and equipment purchases. Additionally, GLAZA will invest funds from its working capital and capacity-building grants to build this program.

Fees from GLAZA's Site Rental and Catered Events program are projected to increase by 50% annually during the Term. These events should reach new audiences for the Zoo and its programs, leading to increased visitorship and revenue for the Zoo.

Other Matters

Performance Assessment: Deliverables, metrics and milestones for GLAZA's Site Rentals and Catered Events program are attached to this MOU as Exhibit D, and will be reviewed on an ongoing basis by the Zoo Director and the GLAZA President, with oversight from the GLAZA Board of Trustees.

Success Factors: The success of this program is contingent on satisfaction of the conditions described above and several additional factors, including good weather conditions, lack of natural disasters including fires and earthquakes which could affect the local area, continuation of excellent animal husbandry, welfare and safety at least consistent with the industry standard as required for continued AZA accreditation, and the cooperation of Zoo Director and related Zoo staff necessary to carry out the Site Rentals and Catered Events program.

5. Miscellaneous Provisions

5.1 *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 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.

5.2 *Merger* - This MOU constitutes the full agreement of the Parties with respect to the subject matter hereof, subject to the Operating Agreement.

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

5.4 *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.

5.5 *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.

5.6 *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 obligations under this MOU without the Zoo's prior written consent.

5.7 *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.

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

6. City's Standard Terms and Conditions

The City's Standard Provisions for City Contracts (Rev. 3/09) is attached and made part of this MOU to update the Standard Terms and Conditions which are attached to the Operating Agreement. In the event of a conflict, the Operating Agreement language shall prevail.

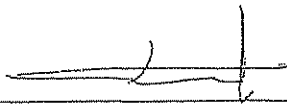
7. Ratification

This MOU is subject to ratification by the City Council and may be ratified by Council before or at the time of the approval of the Business and Marketing Plans by Council. No later than November 1, 2013, the Zoo shall submit (not-to-exceed) five year Marketing and Business Plans to the City Council, consistent with Sections 22.711, 22.713 (5) and 22.714 of the Los Angeles Administrative Code (LAMC), for Council's approval. Approval of the Zoo's five year Marketing and Business Plans shall occur no later than December 31, 2013, and consistent with LAMC Section 22.711, this MOU shall conform with and carry out the objectives and strategies in those approved and adopted plans. The MOU shall be void if the Marketing and Business Plans are not approved and adopted by the City Council by December 31, 2013 and GLAZA and the City shall have no further obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed by their respective authorized representatives.

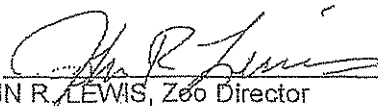
APPROVED AS TO FORM

CARMEN A. TRUTANICH
CITY ATTORNEY

By: 
DOV LESEL, Assistant City Attorney

DATE: 5-2-13

CITY OF LOS ANGELES
LOS ANGELES ZOO AND BOTANICAL GARDENS

By: 
JOHN R. LEWIS, Zoo Director

DATE: May 3, 2013

GREATER LOS ANGELES ZOO ASSOCIATION


By: 
CONNIE MORGAN, President
May 3, 2013

EXHIBIT A

Memorandum of Understanding
by and between
The Los Angeles Zoo and Botanical Gardens and the Greater Los Angeles Zoo Association

MARKETING AND PUBLIC RELATIONS PLAN

DELIVERABLES

Annual Marketing and Public Relations Plan	GLAZA President to submit to Zoo Director
Monthly Attendance Projections and Variances	GLAZA to deliver to Zoo Director

PERFORMANCE METRICS: GLAZA will use its good faith efforts to meet the following metrics:

Penetration of Metropolitan Statistical Area (MSA)	Increase by 12% over the Term
Regular Paid Zoo Attendance	Increase by 5% annually
Total Zoo Admissions Revenue	Increase by 11% annually
Other Zoo Revenue (Including concessions and membership)	Increase by 21% over the Term
New funding for the Zoo Department	An additional \$6 million over the Term

GLAZA will use its good faith efforts to meet the following milestones:

<u>MILESTONES</u>	<u>Commencement</u>	<u>Completion</u>
Strategic Planning	March 2013	October 2013
Corporate Sponsorship Program	February 2013	Completed and ongoing
Marketing Director Search	MOU approval	Within ten weeks
Hiring of Marketing and PR Staff	Hiring of Marketing Director	ASAP
Opinion Research	MOU approval	Within six weeks
Long-Term Branding	November 2013	July 2014
Business Information System	MOU approval	To be scheduled with the Zoo Director and contingent upon securing funding

03.26.13

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Exhibit B

March 12, 2013

Los Angeles Zoo and Botanical Gardens
Greater Los Angeles Zoo Association
Marketing Business Plan
Multi-year Budget

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Pricing \$1 increase per year
Attendance 5% growth in Regular Admissions
Membership 3% growth in Member Households

Attendance and Admission	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
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<i>Admission Prices</i>				
Adult Ticket Price	\$17.00	\$18.00	\$19.00	\$20.00
Annual % increase	6.25%	5.88%	5.56%	5.26%
% of top ticket price (this reflects reduction from top ticket price for seniors, children, groups, and promotional discounts.)	77.99%	78.00%	78.00%	78.00%
Average Paid Charge	\$13.26	\$14.04	\$14.82	\$15.60

	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
<i>Paid Attendance</i>				
<i>Regular Admission Growth</i>		5.00%	5.00%	5.00%
Regular Admissions	773,095	811,750	852,337	894,954
<i>Paid Groups Growth</i>		8.00%	9.00%	10.00%
Paid Groups	101,867	110,016	119,918	131,910
Subtotal Paid Admission	874,962	921,766	972,255	1,026,864
<i>Free Attendance</i> (while this doesn't contribute to Admissions Revenue, it does affect Concessions Revenue and Commissions)				
<i>Membership Admission Growth</i>		3.00%	3.00%	0.00%
Membership Households	69,868	71,964	74,123	74,123
Visits per Household	8.75	9.00	9.00	9.00
Member Visits	637,199	647,676	667,107	667,107
<i>Free Groups Admission Growth</i>		2.00%	2.00%	2.00%
Free Groups	62,674	63,927	65,206	66,510
<i>Special Events Admission Growth</i>		8.00%	8.00%	8.00%
Special Events	25,165	27,178	29,352	31,701
Subtotal Free Admission	725,038	738,782	761,665	765,317
Total Attendance	1,600,000	1,660,548	1,733,920	1,792,181
<i>Actual % increase in overall attendance</i>		3.78%	4.42%	3.36%
% of top ticket price	77.99%	78.00%	78.00%	78.00%
Average Paid Charge	\$13.26	\$14.04	\$14.82	\$15.60
Total Admissions Revenue	11,600,000	12,941,596	14,408,820	16,019,074
Amount of Admissions Revenue	0	1,341,596	2,808,820	4,419,074

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above base year

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Exhibit B

March 12, 2013

Los Angeles Zoo and Botanical Gardens
Greater Los Angeles Zoo Association
Marketing Business Plan
Multi-year Budget

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<i>Concessions Revenue, Commissions and Transfers</i>	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Total Attendance	1,600,000	1,660,548	1,733,920	1,792,181
% Growth in per cap revenue	6.41%	4.15%	5.32%	6.17%
Per Cap Revenue	\$6.50	\$6.77	\$7.13	\$7.57
Total Concessions Revenue	10,399,999	11,241,910	12,362,850	13,566,810
Commission %	19.64%	20.00%	20.00%	20.00%
Total Commissions	2,042,560	2,248,382	2,472,570	2,713,362
10% Transfer to Zoo	1,040,000	1,124,191	1,236,285	1,356,681
3% Transfer to GLAZA	312,000	337,257	370,886	407,004
Remainder Transfer to Zoo Surplus Development Fund	690,560	786,934	865,400	949,677

<i>Membership Revenue and Transfer</i>	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Adult Ticket Price	\$17.00	\$18.00	\$19.00	\$20.00
Family Membership Price	\$114.00	\$114.00	\$114.00	\$119.00
% growth in member households	3.00%	3.00%	3.00%	0.00%
Total Member Households	69,868	71,964	74,123	74,123
% of Family Membership	80.00%	80.00%	80.00%	78.00%
Average Member \$	91.20	91.20	91.20	92.82
Total Member Fees	6,371,962	6,563,120	6,760,014	6,880,093
25% Transfer to Zoo	1,592,990	1,640,780	1,690,004	1,720,023

<i>Marketing Sponsorships net based on Premier Partnerships projection</i>	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Fund 30/Marketing Sponsorships	100,000	404,400	539,975	743,625

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Exhibit B

March 12, 2013

Los Angeles Zoo and Botanical Gardens
Greater Los Angeles Zoo Association
Marketing Business Plan
Multi-year Budget

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	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Recap				
<i>Increased Revenue to the Zoo</i>				
Admissions Revenue: Increase above \$11,600,000 base		1,341,596	2,808,820	4,419,074
Zoo Keeps These Amounts First Each Year of Increased Admissions Re		750,000	1,500,000	2,250,000
Remainder to GLAZA to pay for increased Marketing*		(591,596)	(1,308,820)	(2,169,074)
* Transfer of these amounts would be at the end of the year, timing subject to negotiation				
Concessions Revenue: Increase above \$1,000,000 base		124,191	236,285	356,681
Membership Revenue: Increase above \$1,400,000 base		240,780	290,004	320,023
Net Increased Revenue to the Zoo		1,114,971	2,026,289	2,926,704

	12-13 Current Year	13-14 Year 1	14-15 Year 2	15-16 Year 3
Recap				
<i>Increased Revenue to GLAZA</i>				
Admissions Revenue: GLAZA share of increase		591,596	1,308,820	2,169,074
Marketing Sponsorships		404,400	539,975	743,625
Increased GLAZA Share of Concessions		25,257	58,886	95,004
Fund 12: Zoo Assistance Fund		65,000	65,000	65,000
Other GLAZA Resources		1,567,549	822,775	147,438
Net Increased Resources for Marketing by GLAZA		2,653,802	2,795,456	3,220,141
<i>Marketing, Promotions and Advertising Expenses</i>				
Total Marketing Expenses		2,650,000	2,756,000	2,966,240
Net from Marketing		3,802	39,456	253,901
*To be transferred to the Zoo Enterprise Trust Fund				

Los Angeles Zoo and Botanical Gardens		Exhibit C					
Greater Los Angeles Zoo Association							
Business Plan							
Multi-year Budget							
Site Rentals and Catered Events							
		12-13	13-14	14-15	15-16	16-17	17-18
		Current Year	Year 1	Year 2	Year 3	Year 4	Year 5
Catering Sales							
	Catering Revenue	68,500	102,750	154,125	231,187	346,781	520,172
16.50%	Percent Commission	11,303	16,954	25,431	38,146	57,219	85,828
Distribution of Commissions:							
10.00%	to Zoo	6,850				34,678	52,017
3.00%	to GLAZA	2,055				10,403	15,606
3.50%	to Zoo Surplus Development Fund	2,398				12,137	18,206
	Total Commissions to GLAZA		16,954	25,431	38,146		
Site Rental Fees							
	Site Rental Fees	33,010	49,515	74,273	111,409	167,113	250,670
16.50%	Percent Commission	5,447					
Distribution of Commissions:							
10.00%	to Zoo	3,301				16,711	25,067
3.00%	to GLAZA	990				144,553	216,830
3.50%	to Zoo Surplus Development Fund	1,155				5,849	8,773
	Total Revenue to GLAZA		49,515	74,273	111,409		
Surplus	Revenue to Los Angeles Zoo						16,608
Total Revenue To GLAZA		3,045	66,469	99,704	149,555	154,956	215,827
Total Revenue To Zoo		13,704	0	0	0	69,376	120,672
Expenses							
	Salaries		65,000	66,950	68,959	71,027	73,158
	Commissions		4,952	7,427	11,141	16,711	25,067
	Benefits		20,985	22,313	24,030	26,322	29,468
	Sales Staff		90,937	96,690	104,129	114,060	127,693
	Event Staff		9,903	14,855	22,282	33,423	50,134
	Equipment		50,000	25,000	5,000	5,000	5,000
	Advertising & Promotion		5,000	5,000	5,000	5,000	5,000
	Miscellaneous		3,000	3,000	3,000	3,000	3,000
	Management Fee					25,000	25,000
	Total Expenses		158,840	144,545	139,411	185,483	215,827
	Profit/(Loss) to GLAZA		(92,371)	(44,841)	10,144	(30,527)	
How does GLAZA Fund these early deficits? (cumulatively, we put in about \$17,558)							
	Ahmanson Foundation						
	Sales Staff		90,937				
	Equipment Purchases		50,000				
	GLAZA Working Capital		0	44,841		30,527	
	Net to GLAZA		48,566	(0)	10,144	0	0

EXHIBIT D

Memorandum of Understanding
by and between
The Los Angeles Zoo and Botanical Gardens and the Greater Los Angeles Zoo Association

SITE RENTALS and CATERED EVENTS PROGRAM

DELIVERABLES

Quarterly report of site rentals and projections GLAZA to deliver to Zoo Director

GLAZA will use its good faith efforts to meet the following metrics:

PERFORMANCE METRICS

Catering Sales Increase by 50% annually during the Term

Site Rental Fees Increase by 50% annually during the Term

GLAZA will use its good faith efforts to meet the following milestones:

<u>MILESTONES</u>	<u>Commencement</u>	<u>Completion</u>
Hire site rental staff or organization	MOU approval	Within ten weeks
Hire group sales staff	MOU approval	Within ten weeks
Market Survey: type/size events	MOU approval	Within six weeks
Work with Zoo Director to develop group sales policy	MOU approval	Within twelve weeks
Purchase Inventory	MOU approval	Within ten weeks
<u>Large Scale Venue Preparation</u>		
A. Study location options with Zoo staff	MOU approval	Within twelve weeks
B. Prioritize, design and cost estimate	MOU approval	March 31, 2014
C. Funding	MOU approval	Ongoing
D. Venue Completion		June 30, 2015

3/26/2013

