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Sponsoring Rides & Attractions A-Z

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A Recent History...

Sponsoring is definitely **NOT** a new idea, and has been with us throughout the ages, even artist Leonardo Di Vinci had Sponsors, known at that time as 'Patrons'. However, in the world of Leisure Time Entertainment the concept of Sponsoring was certainly reinvented by none other than Walt Disney himself, and this is where we would like to focus our report.

Where it shows up these days...

Your company might be most familiar with the concept of "Sponsoring" when it comes to motion pictures, or even sports arenas. As we all know, making motion pictures is a costly endeavor that requires buckets full of cash to complete. To give you an idea just how expensive movies are to make these days, my wife and I just counted seven (7) production companies that were responsible for making just one film. Seven!

Savvy filmmakers have put to work the power of successful third-party companies for years through the concept of "Product Placement". That soda can of Coca-Cola sitting on the kitchen counter, or that box of Rice Krispies cereal on the table not only reminds the audience of a common slice of life, but those companies are contributing cash to the film's producers; so that the cost of filmmaking can be offset. Just to be present in a brief cameo shot... even if it's for only a second or two, helps to reaffirm each participating company's brand. In the world of marketing and promotions, this process is referred to as "Branding".

NOTE: NASCAR is in charge of the hugely successful sport of car racing, and rumor has it that when drivers are being interviewed in the 'winner's circle'... those guys who are seen in the background wearing baseball caps with the names of various corporations printed on them... Those guys who are jumping up and down, trying to acquire your attention... are helping to generate "branding" interest for all that see them on Television. Industry estimates place a 'return value' of approximately \$10,000.00 for every second a company's name appears on the television screen. This would help to explain why companies are so interested in Sponsorships, and Advertising in general.

In a related example, this helps to explain why a 10 -Second TV spot during the Superbowl can cost millions of dollars. Placement, and all other forms of advertising is considered "big business" these days.

The Value of Exposure...

Folks who attend movies have brains that are working overtime trying to suspend disbelief. They're searching for a way to **identify** with the characters on-screen, and looking for "common-threads" that help them intertwine their lives with the movie stars that they admire as they watch them in a film, or on television.

Subconsciously the audience's brain is registering every detail in each frame of film they're exposed to. In magazines they associate specific brands of makeup with the beautiful faces on the models that promote the products. In radio advertising, a recognizable voice is often associated with each specific product, or service, that is being promoted.

Even animated films, strive to include the voice-talent of recognizable stars, to help promote their characters.

In other words... The use of Sponsors becomes a win-win situation for everyone connected with any project that has a need to be financed. Because... Sponsorships provide some of the much needed funding that allows projects to be produced.

This funding allows producer's to hire staff, crew, and to purchase the supplies and equipment that is so necessary in order to complete many of today's very expensive projects.

How does Sponsoring relate to Denny Magic Studios?

FACTOID: Denny Magic Studios "**designs**" the products that they license to various buyers as Original Content. However, Denny Magic Studios is not directly involved in the final construction.

Once a potential buyer emerges with a strong desire to purchase; and add, one of Denny Magic's unique designs to their facilities... it is incumbent on each of them to actually build the product. During the build process, Denny Magic Studios hopes that the client will adhere to the original design so that it can be created in the manner [and quality] that it was originally intended. However, if the buyer cut's corners, or heaven forbid... runs out of funding altogether, DMS has very little options it can exercise in order to get things back-on-track.

This is why Denny Magic Studios does it's very best to screen potential clients to ensure that the client purchases **only** the product's that are well within their particular budget, and products that can actually be completed as intended.

In other words... it makes no sense for Denny Magic Studios to license a design for a **\$20,000,000.00 Ride** to a client who only has a **\$10,000,000.00 budget**. So yes... we are careful whom we sell to.

However, because we have a sensible Sponsoring plan in place, clients can now consider Premier Theme Park Rides, and Top Dollar Attractions, which they normally might have had to pass up in the past due to budget restraints. So the playing field is much more open for them now then it ever was.

Secondly, when Denny Magic Studios is able to attach the name of a corporate Sponsor to one of their designs... it telegraphs to all potential buyers... that this financial opportunity might make the Ride or Attraction in question, more affordable to construct.

It also means that the Sponsorship contract can be carried to each buyer's lending institution, to show that the construction loan can be partially paid back to the lender **sooner** than later.

Our Sponsorship program also provides Denny Magic Studios with many additional beneficial opportunities! When DMS is able to marry a specific Sponsor with a specific design, the total overall cost of that product becomes significantly smaller. This important aspect can be used to promote each DMS product more efficiently... Because, as buyers note that a Sponsor is attached to a specific product... they automatically understand that the overall costs of that product has been reduced to a more affordable level.

DMS is in business to license their original designs, but we understand how important the 'overall costs to produce', is to our clients. That's why Walt Disney's Sponsorship ideas are such a great idea!

Sponsors allow us to promote our original designs to many more potential clients too, because Sponsorship-funding covers many of the following costs associated with advertising our products:

- *Sponsorships allow DMS to investment in Trade Organization Memberships to ensure added exposure within the industry. Annual memberships can run as high as \$1,000.00 each and every year.*
- *Sponsorships allow DMS to provide the funding that allows DMS staff to travel the world in order to attend trade shows on a global basis.*
- *Sponsorships allow DMS to hire additional writers, artists, and musicians (as deemed necessary) whose talents can then be utilized to "plus" each of our product's overall presentation and quality. This can often help DMS "describe" as we, sell each product in a more efficient manner. This added exposure makes it easier to reach potential buyers.*
- *Sponsorships allow DMS to purchase additional promotional items that can increase the ability to advertise a particular product more effectively to potential clients too. DMS can suddenly afford to send out 'promotional items' to potential buyers, keeping the DMS name and our product line on the minds of prospects.*

- *Sponsors are entitled to see a detailed accounting of how their Sponsorship money... Money that is provided to DMS... has been administered. DMS requests that this request be delivered by US Mail and allow 60-days to comply... in return DMS will cover the costs to prepare this document. This request can be requested not more than one-time during the Sponsorship program for each individual product that the Sponsor is associated with.*

How does Sponsoring relate to DMS Clients?

Potential clients locate Denny Magic Studios in a number of different ways ranging from word-of-mouth to resource listings that provide connections to project managers who are working in the leisure time entertainment industry.

The DMS company web site... serves as the company's catalog of available products, and because we are the **ONLY** designers in the world (as of 2010) who post all aspects of our products for review 24/7 without restrictions... Clients are free to discuss (at their convenience) which rides, or attractions, that they may be interested in looking into, long before they ever contact DMS about pricing, availability, or licensing issues.

However, having this important Sponsorship program in place will assist DMS in providing each potential client with additional literature, and other forms of advertising.

It also guarantees that the overall costs of our ride(s) and/or attraction(s) are attractive to potential buyers who can readily see a **reduction** in overall cost... Often this significant reduction in cost can make a difference in when, or even why, they make the purchase.

Does every DMS product have Sponsorship potential?

NO. DMS is in the business of promoting specific themes, so when we have a finished product... we identify the theme, which that product projects, and then we start a search for an appropriate company that has some significant tie-in that supports that theme.

Our original story vehicle, entitled... **Watson & Willie** is a period piece surrounding the daily activities of a small town Baker. Sara-Lee, Hostess, or Wonder Bread might be likely Sponsors... even a supermarket like Lucky Stores, or Safeway Store (who have a specialized bakery in each store) might be considered... But a company like Fred's Funeral Home would be an unlikely Sponsor for this particular project and DMS would certainly dissuade them as a Sponsor of this particular story. However, Fred's Funeral Home might fit nicely with a ride like Vampire's Castle, or even The Ghosts of Halloween.

Lastly there are products, that even us creative types might have difficulty coming up with a Sponsor for, despite keeping an open-minded-attitude. For those of you Sponsors who are searching our web site for possibilities... we want to let you know that we are willing to consider your suggestions and ideas... but every suggestion does not automatically turn into a sponsorship opportunity.

How does my company become a Sponsor?

Usually companies are not searching for creative ways to spend their advertising dollars. That's where DMS comes in. We need to be thinking, "out-of-the-box", and more than likely the initial telephone call will come from DMS.

However, we do not want to **discount** your company's creative juices, and we always keep an open mind to any and all suggestions. No one can predict where the next stroke of genius will come from. Have an idea? Then let's discuss it!

OK. I like this idea, now what?

Once a potential Sponsor and DMS have talked together about their common interest, and a specific product has been established as 'the one', The Sponsor, needs to understand that 'Sponsorship' is a two-part process.

1 - Step one is to understand that 20% of the customary DMS charge for the product's design (the design fee) is due and payable as your Sponsorship deposit. This payment is required in order to have your company's name firmly attached to any and all advertising that DMS puts out for that specific product, from the time we receive payment, for a period of five (5) years.

For Example; if the product that your company has selected to Sponsor, has a DMS 'design fee' amounting to \$200,000.00 then this up-front Sponsorship payment would amount to \$40,000.00. Assuming that your company is a serious candidate for Sponsorship... DMS is happy to supply you with the **current** price [or Design Fee] to assist you in calculating this required fee.

Many factors can influence our Design Fee and each project is priced on an individual basis. However, the 20% initial Sponsorship payment is a **fixed number**.

Please keep in mind that Design Fees can vary over time, and Denny Magic Studios reserves the right to alter our design fees; at our discretion, without any advanced notice.

However... once a Sponsor has made all the arrangements, and remitted the initial 20% deposit... DMS will honor that fee as stipulated for an initial term of five (5) years.

2 – Step two comes into play once a particular product is licensed to a buyer. That buyer MUST complete the construction of the product, and when he or she does... they can submit to the Sponsor a verified accounting that represents the entire cost to construct the specific ride or attraction. With this figure verified and delivered to the Sponsor, the Sponsor has 30 days to remit a payment of 30% of the gross total.

For Example; if the product that your company has selected to Sponsor, were constructed by the client/buyer for \$15,000,000.00 then the amount due from the Sponsor to that client would amount to \$4,500,000.00.

Tell me more about the 5-year term.

Everything in the world changes, and many things can have an effect upon the popularity of our products, your company's ability to stay in business might become a factor, or the ability of the client to keep his or her facilities up and running... or other unforeseen circumstances.

For this reason your initial Sponsorship payment is designed to cement your affiliation with a specific product for a period of five (5) years with one-specific, initial buyer. Here's how DMS will handle this initial period:

If we are not able to market a particular product within the initial five (5) year term... no further obligations are necessary by either the Sponsor, or DMS for the original agreement to terminate.

At that termination point, unless the Sponsor requests an extension for an additional five (5) year term... the Sponsor's company name will be removed from the product and all advertising literature, and it is possible that another Sponsor could be approached to Sponsor the same product for an additional five (5) year period.

However, DMS is fairly confident that with Sponsorship funding in place, that we can advertise and promote the product enough... in order to locate a client to license it.

IMPORTANT: Regardless how long it takes to find a viable client... **when** a placement is complete... the five (5) year time frame will be attached directly to the product (by contract between DMS, as well as a specific buyer) and the five (5) year time frame (for the Sponsor) will be reset from scratch from the day the product actually opens for business.

This means that once the ride or attraction "opens"... the Sponsor has five (5) full years of future association with that specific ride or attraction. To compliment this process,

DMS will reset their original time frame to match that of the ride or attraction, and the Sponsor will benefit from this association in both venues, the ride itself... and... the name association with all DMS advertising as we continue to market this particular product to other potential buyers.

NOTE: As DMS experiences success in continuing to market this particular product to other buyers worldwide... the Sponsor will have a choice to comply with the same Sponsorship for each new buyer's location where the same ride or attraction is constructed. Or... The Sponsor can opt out for each successive buyer who purchases this specific ride or attraction.

If the latter situation is the Sponsor's choice, a written waiver is required, and DMS then can re-acquire the right to solicit and negotiate a sponsorship with a brand new company.

What happens after a successful term is over?

The client always has the option of re-approaching the Sponsor in order to renegotiate a new term, and possibly suggesting a new price for a continuing Sponsorship for the same DMS product.

Conversely, The Sponsor retains the option of re-approaching the Client (directly) in order to renegotiate a new term, and possibly suggesting a new price for a continuing Sponsorship for the same DMS product.

A third scenario might be; the client may **NOT** want to continue their relationship with the original Sponsor, and may not want any Sponsor's name on their ride or attraction after the original 5-year term expires.

And a fourth scenario might be that the Sponsor may **NOT** want to continue their relationship with the original client, and may not want their company name on the client's ride or attraction after the original 5-year term expires.

What if the name of the Sponsor's company changes?

If the Sponsor sells their company to another owner, and the name is changed... it is incumbent on the Sponsor to notify the buyer, so that the buyer can change all signage and printed literature. The Sponsor MUST cover these costs, and the buyer must make all the necessary changes within a reasonable period of time.

Note: All of the terms from the original agreement will be "Grandfathered" in so as to apply to the new company. No additional charges will apply.

If the Sponsor is forced to go out of business due to unforeseen circumstances, the buyer has the right to remove all traces of the Sponsor's company name at their discretion, and in accordance with their own schedule. The costs to make these changes will be the responsibility of the buyer, and **NOT** the Sponsor.

Note: The Client will have no legal grounds to seek any additional charges from, or court judgments against the original Sponsor

As a Sponsor, how will these terms be administered?

DMS has a "License to Operate" which is a document that is signed by DMS and the Buyer. This is the instrument that is used to convey rights to the buyers of DMS products.

Rides and Attractions that have Sponsors attached will include a legal Amendment that will outline the terms of the Sponsorship program, and this "Amendment" will become permanently attached to this "License to Operate".

A copy of the "License to Operate" and this attached "Amendment" will be delivered to the Sponsor once the buyer and DMS validate the "License to Operate" with the appropriate signatures of principals from both companies.

Can I quit as Sponsor, anytime?

NO. Sponsorships are serious business, and involve serious money. Whimsical Sponsors cannot withdraw their Sponsorship investments based on a "Change of Attitude".

Once the fees have been paid, and the terms have been engaged, Sponsors are required to be associated with the ride or attraction for the full five (5) year minimum term.

However, circumstances do exist... see – **“What if the name of the Sponsor’s company changes”** where a Sponsor’s company name might be changed.

DMS has made participation easy, so take the next step

This program is a straightforward procedure, all it takes is your willingness to participate, and a ride or attraction that we can tie your company’s services or products to.

Keep in mind, that from our perspective... ***THEME is everything.***

We are looking for companies who have services that relate in some way, or products that relate in some way... to the theme of the ride, and/or attraction.

OK. Who do I contact?

Please feel free to contact our founder, Denny Magic either by email, or telephone to get the ball rolling. Once DMS has your commitment, and a match has been established to one of our products...

We will begin the process of aligning your company’s name with the target product. Here’s the contact information that you will need:

Denny Magic
dmagic@dennymagicstudios.com

408 / 759 - 7018
(Mon - Fri between 2PM and 6PM - **Pacific Time**)