

MPM Lease and Management Agreement – Comparative Chart of Current and New

Lease Term/Covenant	Existing Lease	Proposed
Term of Lease	Current Extended Term expires on December 31, 2017, plus 4 extended terms of 5 years and 1 extended term of 2 years. (10 th Amend, §3)	10 years to December 31, 2022, plus 4 extended terms of 5 years.
Asbestos and Hazardous Materials	None	Provision to address County obligation to abate issues with respect to asbestos and hazardous materials that were present at execution of original LMA.
Hazard Insurance (Real Estate, Personal Property, Artifacts)	Museum Corp must maintain (LMA, §3.4)	County to maintain
Deaccession of Owned Artifacts	Must be in conformance with approved policy (3 rd A, §2)	Same – must conform with approved policy. Add exception for MPM to directly deaccession of Native American Graves Protection and Repatriation Act (NAGPRA) related artifacts without prior County approval. Information to be provided by MPM to the County.
Investment Policy	Amendments must be delivered to County Clerk and County Executive for retention in the County records (LMA, §5.7)	No corresponding provision in new LMA
Financial Filings with County	<u>Filing</u>	
	Annual Budget	Same
	Quarterly Financials, with officer's certificate	60 days
	Annual Audited Financials	120 days
County Funding of Pension Obligation; MPM	Annual Insurance Summary	Same
	None	County to fully fund former County employees'

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funding of retiree medical		<p>pension plan at \$3M by August 31, 2013 provided MPM raises \$3M in funds and donor commitments to pay down bank debt. MPM will continue to be obligated to cover retiree medical obligations for former Milwaukee County employees.</p>
County Funding of Operations	<p>\$3,502,376 per year through 2017. Quarterly installments on January 1, April 1, July 1 and October 1 of each year. (10th A, §1)</p>	<p>\$3,500,000 per year through Calendar Year 2017; \$3,350,000 in 2018-2019; 3,200,000 in 2020-2021; \$3,000,000 in 2022. Funding to remain at \$3,500,000 upon transfer of Real Estate in 2017 or MPM raises \$5M for capital funding by 12/31/17.</p> <p>Funding is predicated on MPM meeting or exceeding certain contingencies and operating goals. In the event the MPM fails to meet or exceed any one of the following conditions, the County may reduce the funding by \$250,000 for any subsequent year:</p> <p>Contingent on:</p> <ul style="list-style-type: none"> - Pay down of all remaining bank debt by 12/31/15 of approximately \$1,500,000; - Annual attendance of MPM, its theater/planetarium and special exhibits, programs and events exceeds 400,000; - Museum generates positive unrestricted operating earnings as defined by the change in unrestricted net income plus depreciation is greater than zero; - Total MPM Endowment net assets are a minimum of \$5,000,000 with a minimum of \$2,000,000 in unrestricted net assets; - MPM's Total Net Assets continue to exceed the value as of fiscal yearend 2013 audited results excluding gains associated with pension contribution and gift commitments for debt elimination.
County Funding of Capital Expenditures	<p>Minimum of \$4M through 2012 for mutually agreeable capital improvement projects</p>	<p>Minimum of \$4M from January 1, 2014 to December 31, 2017 for structural repairs under</p>

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	eligible under LMA (10 th A, §2)	LMA. Additional \$4M for mutually agreeable capital improvements between 2017 and 2022 provided MPM matches and Real Estate is transferred to MPM in 2017.
Future Debt	None	Any new debt, except for working capital, collateralized debt by donor pledges or personal assets, is subject to approval by the County Executive or designee.
Transfer of Real Estate	None	If MPM has received at least \$4M in cash and donor commitments for capital spending related to the facility by June 30, 2017, the parties agree to enter into good faith negotiations to transfer the facility and amend the LMA. Negotiations shall include the following conditions: <ul style="list-style-type: none"> - County's ability to confirm clear title; - Use of facility remains restricted; - Parties agree on commitments and obligations with respect to deferred maintenance and future liabilities; - Subject to applicable law and extent permissible under law the County will commit up to an additional \$4M for capital expenditures provided the facility is deemed to the MPM by 12/31/17.
Museum Corp Board elected Directors	18 elected by Board of Museum Corp (8 th Amend, § 1); 9 appointed from County	36 elected by Board of MPM 9 Appointed (5 from County Executive, 4 from Chairman)
Appointment / Election of Directors	1/3 of County Directors appointed each year 1/3 of Elected Directors elected each year (8 th Amend, § 1)	Same
Director Terms	3 years (8 th Amend, § 1)	Same. Non-financial governance expectations for County Appointments the same as elected Directors.
Free Admission	Each Monday – Residents of Milwaukee County (LMA, §5.3)	Admission policy revised per below

Admission Policy

1. MPM will provide free admission to Milwaukee County pre-registered public and private school group visitors any day of the week between September 1st and November 30th each year in exchange for Milwaukee County's continued operating support of MPM's unrestricted annual revenues at a level agreed to by both Milwaukee County and MPM. This includes pre-registered students, teachers and chaperones.
2. MPM will provide a \$2.00 discount for any non-member admission by Milwaukee County residents anytime with proof of residency in exchange for Milwaukee County's continued operating support of MPM's unrestricted annual revenues at a level agreed to by both Milwaukee County and MPM.
3. MPM will provide 12 "Free Days" annually for Milwaukee County Residents with proof of residency in exchange for Milwaukee County's continued operating support of MPM's unrestricted annual revenues at a level agreed to by both Milwaukee County and MPM. The specific days will be determined each year by the museum and announced by January 1st.