

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.
Investment Policy	Amendments must be delivered to County Clerk and County Executive for retention in the County records (LMA, §5.7)	MPM to provide a copy of investment policy to County upon request
Financial Filings with County	<u>Filing</u>	<u>Timing</u>
	Annual Budget	In accord with County's schedule for its budget preparation (3 rd A, §4)
	Quarterly Financials, with officer's certificate	Within 45 days of close of each FQ (LMA, §5.8(b))
	Annual Audited Financials	Within 180 days of close of each FY (3 rd A, §5)
	Annual Insurance Summary	Within 120 days of close of each FY (LMA, §5.8(d))
County Funding of Pension Obligation; MPM funding of retiree medical	None	County to fully fund former County employees' 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

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County Funding of Operations	\$3,502,376 per year through 2017. Quarterly installments on January 1, April 1, July 1 and October 1 of each year. (10 th A, §1)	<p>former Milwaukee County employees.</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 if 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"> - MPM will obtain donor commitments by 12/31/15 to pay down the remaining bank debt 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	Minimum of \$4M through 2012 for mutually agreeable capital improvement projects eligible under LMA (10 th A, §2)	Up to \$4M from January 1, 2014 to December 31, 2017 for structural repairs under LMA.
Future Debt	None	Any new debt, except for working capital and capital leases less than \$100,000, debt collateralized by donor pledges or personal assets,

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Museum Corp Board elected Directors	18 elected by Board of Museum Corp (8 th Amend, § 1); 9 appointed from County	is subject to approval by the County Executive or designee. 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.