

Memorandum of Understanding for Lease Option

This Memorandum of Understanding (“MOU”) is entered into by the City of Grand Island, Nebraska (“City”) and Grand Island Children’s Museum, Inc., a Nebraska nonprofit corporation (“Museum”).

The purpose of this MOU is to express the general intent of City and Museum concerning a lease option with respect to the City’s property located at 2900 West Old Potash Highway, Grand Island (“Premises”) for use as a Children’s Museum with the collateral benefit of substantial capital improvements to the Premises including, but not limited to, updated HVAC, electric, and other building systems, and parking lot improvements. The parties intend this MOU be non-binding and serve to set forth a general understanding concerning the option to lease to be negotiated and expressed in greater detail in a contractually binding option to lease. It is anticipated that the option to lease will include the following items and such additional terms as the parties may negotiate:

1. Description of Premises. MISCELLANEOUS TRACTS 17-11-9 TO THE CITY OF GRAND ISLAND PT S 1/2 SW 1/4 2.98 AC, Addresses: 2900 OLD POTASH HWY W.
2. Area retained by City. The easterly forty (40) feet to be used as part of a connector drive to City’s Ryder Field parking lot with shared use by the City and the Museum of the parking lot.
3. Use of Premises for Public Benefit Purposes. The Premises is to be used by the Museum for operation of a Children’s Museum to benefit the residents of the City by providing year-round, family-oriented, multicultural educational, recreational, and amusement activities focused on children and youths. All activities are to be provided in a non-discriminatory manner consistent with applicable federal, state, and local law, rules, regulations, and ordinances.
4. Fees and Memberships. The Museum shall be open to all members of the public subject to payment of an admission fee and/or membership fees. Revenues generated through admission fees and membership fees shall be solely the property of the Museum for the benefit of the Museum.
5. Term.
 - a. Commencement. The City understands that the Museum will need time to secure funding to complete the anticipated improvements to the Premises. The Museum shall give the City advance notice of no less than sixty (60) days of commencement of the lease. If the Museum has not exercised its option for lease to commence on or before March 1, 2023, then this MOU shall terminate without further notice unless the Museum and the City have agreed to extend the option.
 - b. Length/duration. The City and the Museum shall enter into a long-term lease for the Premises with the lease duration to be determined.
6. Rent/Consideration.
 - a. Annual Rent. Annual rent shall be paid by the Museum to the City in a nominal amount to be determined per year.
 - b. Tenant Improvements and Renovations.

- i. The Museum shall be solely responsible for the cost of improvements and renovations to the Premises, which shall include, but not be limited to, updated HVAC, electric, and other building systems, and parking lot improvements. Any improvement or renovation that changes the structural integrity or appearance of the building shall be subject to the approval of the City Administrator or designee.
7. Building Maintenance and Repair. The Museum shall keep the building and Premises in good condition and repair.
8. Signage. Any signage installed upon the Premises shall be in full compliance with City code.
9. Utilities. The Museum shall promptly pay for all utilities for the Premises during the lease term.
10. Parking Lot.
 - a. Paving. The City and the Museum shall pay the pro-rata share costs of the paving of the parking lot located on the east end of the Premises.
11. Snow Removal. The Museum shall solely be responsible for the snow removal of the Premises.
12. Landscaping. The Museum shall be responsible for the lawn maintenance, including the mowing, trimming, and fertilizing, for the Premises during the period of the lease term.
13. No Mortgages or Liens. The Museum will not allow for any mortgages, liens, or encumbrances to be placed upon the Premises or improvements upon the Premises.
14. Contingencies.
 - a. The Museum's option to exercise a lease agreement with the City for the Premises is contingent upon the Museum receiving funds and pledges totaling at least \$7,000,000.00 by January 1, 2023, which amount may be confirmed by the City Administrator or designee.
 - b. The City shall allow representatives or agents of the Museum to have access to the Premises to complete any inspections necessary to determine the Museum's intent to move forward with the lease and development of the Premises upon reasonable notice from representatives of the Museum, but the Museum shall not take possession of the Premises prior to commencement of the lease term.
15. Options to Purchase. At any point during the lease, the Museum shall have the option to purchase the Premises from the City at a predetermined price subject to public remonstrance and election as provided by Nebraska Revised Statutes.

Date: August 4, 2021.

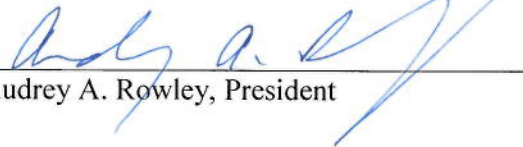
CITY OF GRAND ISLAND, NEBRASKA,
A Municipal Corporation,


By: Roger S. Steele

Mayor Roger Steele

Date: August 2, 2021.

GRAND ISLAND CHILDREN'S MUSEUM, INC.,
A Nebraska Non-Profit Organization,

By: 
Audrey A. Rowley, President

Approved as to Form	<input checked="" type="checkbox"/>	<u></u>
July 21, 2021	<input checked="" type="checkbox"/>	City Attorney