

MEMORANDUM OF UNDERSTANDING

AND

MODIFICATION OF PARTNERSHIP AGREEMENT

THIS MEMORANDUM OF UNDERSTANDING AND MODIFICATION OF PARTNERSHIP AGREEMENT (the “Memorandum”) is entered into as of this ____ day of _____, 2018 (the “Effective Date”), by and between the LESLIE SCIENCE AND NATURE CENTER, a Michigan nonprofit corporation (“LSNC”), the Ann Arbor Hands-On Museum, a Michigan nonprofit corporation (“AAHOM”), and the City of Ann Arbor (“The City”) (collectively, the “Parties”).

WHEREAS, LSNC and The City previously entered into the Amended and Restated Partnership Agreement Between City of Ann Arbor and Leslie Science and Nature Center, dated May 4, 2009, which governs LSNC’s use of City park property and buildings for purposes of conducting its mission as a science and nature center;

WHEREAS, LSNC is in the process of merging its operations with AAHOM, after which the mission, programming, and services of LSNC will continue as a program of AAHOM in a manner similar to its current operations, while LSNC will cease to exist as a separate nonprofit corporation;

WHEREAS, it is in the interests of AAHOM and LSNC to complete the merger expeditiously to unite the complementary missions, realize the operational efficiencies, and deliver enhanced program opportunities of the joined organizations;

WHEREAS, it is in the interest of The City to support these local non-profit organizations in their ability to better serve the public in a combined and financially stable form at no additional cost to the City;

WHEREAS, Article II, paragraph B.3, provides that the Agreement may be modified in writing by LSNC and the City Administrator, or designee, provided it does not substantially alter the responsibilities of the parties to the Agreement; and

WHEREAS, the Parties agree that the terms of this Memorandum do not substantially alter the responsibilities of the parties to the Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants of the Parties, the Parties agree as follows:

1. The Parties remain committed to the community and each other in achieving a lasting partnership. The Parties will work in good faith toward a revised agreement, replacing the Agreement, which better reflects the status and requirements of the Parties following the merger. Until such revised agreement is in place, the following will apply to the Agreement:
2. AAHOM shall hereafter become a party to the Agreement.

3. LSNC shall have the right at any time to assign to AAHOM any of the rights and powers afforded to LSNC under the Agreement, subject to any applicable restrictions outlined in the Agreement, as modified hereunder, including but not limited to AAHOM providing evidence of compliance with Article XIII of the Agreement
4. After the merger of LSNC and AAHOM is completed, the obligations imposed on LSNC under the Agreement shall apply to AAHOM, as the successor organization to LSNC.
5. Notwithstanding item 4 above, the aspects of the Agreement relating to LSNC programs, services, and facilities shall be understood to apply only to those programs, services and facilities of AAHOM that are located at the "Leslie Properties" (as that term is defined in the Agreement), and shall not affect AAHOM programs, services, or facilities at other locations.
6. Article V, paragraph G of the Agreement, covering LSNC Fiscal Responsibility Obligations, sentences 3, 4, and 5 (which define "Unrestricted Donations") are hereby deleted and the term "Unrestricted Donations" shall hereafter mean and refer to the following:
 - a. Donations Received prior to Date of Memorandum. Those donations received by LSNC between (a) November 1, 2007, and (b) the date of this Memorandum which the donors have not designated for or limited to a specific purpose, program or facility and which therefore are available to the Organization for general operational support.
 - b. Donations Received on or after Date of Memorandum. Those donations received by AAHOM or LSNC on or after the date of this Memorandum which the donor has restricted for the general operational support of one or more Legacy LSNC Programs. For purposes of this paragraph, the term "Legacy LSNC Programs" shall mean and refer to only those programs or activities that were conducted by LSNC at any time prior to its merger with AAHOM and which occur primarily at the Leslie Properties located in Area A, as described in Exhibit A of the Partnership Agreement.
7. Article XI, related to Reporting obligations, shall be modified to require that after the merger of LSNC and the AAHOM is completed, AAHOM, as successor to LSNC, shall provide audit reports to The City, with financial reports related to the LSNC program as available. Further, Paragraph B.3 shall apply only to the LSNC program portion of expenditures.

IN WITNESS WHEREOF, the Parties have duly executed this Memorandum as of the date set forth above.

THE LESLIE SCIENCE AND NATURE CENTER

By: _____

Its: _____

THE ANN ARBOR HANDS-ON MUSEUM

By: _____

Its: _____

THE CITY OF ANN ARBOR

By: _____

Derek Delacourt

Community Services, Service Area Administrator

By: _____

Howard Lazarus, City Administrator

Approved as to form

By: _____

Stephen Postema, City Attorney