

# ALICE MOSELEY FOLK ART MUSEUM PROPOSAL



FOLK ART MUSEUM  
BAY ST. LOUIS, MS

## Bay St. Louis Train Depot – Second Floor Lease Agreements

**Submitted By:**  
McKenzey Northington,  
Executive Director

**Date Submitted:**  
August 13, 2025





"Love Our Visitors - Come Back Soon!" by Alice Moseley

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# INTRODUCTION

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The Alice Moseley Folk Art Museum respectfully submits the following lease proposals for consideration by the City of Bay St. Louis. These proposals reflect the Museum's continued investment in the Historic Bay St. Louis Train Depot and its dedication to preserving and sharing the life, art, and legacy of one of Mississippi's most beloved folk artists.

Open to the public free of charge, the Museum houses over 120 original paintings by Alice Moseley and serves as a vibrant destination for locals and tourists alike. We are proud to be currently ranked the #1 attraction in Bay St. Louis on TripAdvisor, and to have been named one of the Top 5 Art Museums in Mississippi in Mississippi Magazine's 2024 and 2025 Best of Mississippi Travel Awards.

As we look to the future, we're reintroducing engaging new programming — including children's art activities, local artist showcases, art classes, and expanded partnerships with local schools for educational outreach.

Located on the second floor of the Depot since 2008, the Museum has become a cornerstone of Bay St. Louis's cultural tourism scene. Through exhibitions, storytelling, and community-based programs, we support a broader appreciation for regional history and the arts.

We are proposing two lease options that would allow us to either maintain or expand our presence within the Depot. Both options have been designed with sustainability, market-rate alignment, and community benefit in mind.

# LEASE PROPOSAL OPTIONS

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## A

### **Proposal of Revised Current Lease (Western Wing Second Floor – 1,532 sq ft)**

The Museum requests renewal of its revised lease agreement for the current second-floor space. The updated lease proposes a monthly rent of \$645.00, based on the City's current municipal building market rate estimate of \$5.00/sq ft, as well as a flat-rate utility fee of \$175.00 per month.

**Proposed Start Date:** September 1, 2025

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## B

### **Proposal for Additional Second Floor Space (Eastern Wing – approx. 1,080 sq ft)**

The Museum would like to lease an adjacent area on the second floor, consisting of approximately 1,080 square feet, to expand our exhibit space and support future educational programs. We propose a monthly rent of \$450.00 for this area, based on a similar market rate.

**Proposed Start Date:** October 1, 2025



"We Love Our Visitors in Bay St. Louis" by Alice Moseley

# PURPOSE & IMPACT

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These proposals are driven by the Museum's long-term vision of expanding access to the arts, preserving cultural history, and deepening community engagement. With renewed and expanded space, the Museum will be able to:

- Increase public access to Alice Moseley's legacy and artwork
- Host rotating and collaborative exhibits with local artists
- Launch and grow educational programming for students and families
- Create a more dynamic and flexible museum experience for visitors
- Strengthen its role as a free and accessible cultural institution within the Bay St. Louis Depot

Both proposals support the Museum's role as a key tourism and cultural partner for the City of Bay St. Louis. Expansion will allow us to deepen our educational and artistic offerings, attract more regional visitors, and continue contributing to the local economy and civic pride.



"The House is Blue but the Old Lady Ain't" by Alice Moseley

# REQUEST FOR COUNCIL CONSIDERATION

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The Alice Moseley Folk Art Museum respectfully requests that the proposed lease agreements outlined in this packet be included on the Agenda for the Bay St. Louis City Council Meeting on August 19, 2025, under "Council Business." We ask that the Council consider and take formal action on the following items:

1. Approval of the Museum's revised current lease (Western Wing – Second Floor)
2. Approval of an additional lease agreement for the Eastern Wing of the Second Floor

We would be happy to attend the meeting to answer questions, provide additional context, and discuss the Museum's plans for growth and public service.

Full draft lease agreements for both proposals are included as Appendices A and B for your review.



"The Pot of Gold's at the End of the Rainbow in Bay St. Louis" by Alice Moseley

# CONCLUSION

We believe these proposals reflect the Museum's continued growth, commitment to public service, and partnership with the City of Bay St. Louis in enhancing cultural tourism and community engagement. We welcome the opportunity to discuss these proposals further and look forward to your feedback.

Thank you for your consideration.

McKenzey Northington  
Executive Director  
Alice Moseley Folk Art Museum

# APPENDIX A

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## Draft Lease Agreement – Western Wing (Revised Lease of Current Space)

STATE OF MISSISSIPPI  
COUNTY OF HANCOCK  
CITY OF BAY ST. LOUIS

**LEASE**

THIS LEASE, made and entered into the 1st day of September 2025, by and between the **City of Bay St. Louis, Mississippi**, a municipal corporation, hereinafter referred to as Lessor, and **Alice Moseley Folk Art Museum**, of Bay St. Louis, Mississippi, a Mississippi Non-Profit Corporation, hereinafter referred to as Lessee, as follows:

**WITNESSETH**

WHEREAS, the Alice Moseley Folk Art Museum, a Mississippi Non-Profit Corporation, currently leases space from Lessor. The space is a portion of the second floor of the city-owned building known as the Historic Bay St. Louis Train Depot located at 1928 Depot Way, Bay St. Louis, Mississippi, 39520, which is more specifically described below.

WHEREAS, the portion of the second floor of the city-owned building known as the Historic Bay St. Louis Train Depot located at 1928 Depot Way, Bay St. Louis, Mississippi, is currently not used for municipal purposes and is considered surplus by a duly adopted resolution passed by the City Council at its meeting on August 3, 2021.

WHEREAS, the City Council authorizes a lease agreement with Lessee, wherein Lessee's rent may be waived pursuant to Miss. Code Ann. Section 21-17-1(3)(b)(ii) upon a finding that the Lessee is qualified to receive a donation.

WHEREAS, at its meeting on August 3, 2021, the City Council found that Lessee is qualified to receive a donation pursuant to Miss. Code Ann. Section 21-17-1(3)(b)(ii) since Lessee is a Mississippi Non-Profit Corporation and federally recognized 501(c)(3).

WHEREAS, Miss. Code Ann. Section 21-17-1(3)(b)(ii) states if a City does not wish to donate title of lands to a bona fide not-for-profit then the City may lease the lands to a bona fide not-for-profit civic corporation who exists under the laws of Mississippi and is granted tax-exempt status by the Internal Revenue Service; and

WHEREAS, Lessee will be required to provide proof and assurances to the Lessor that it meets all qualifications of Miss. Code Ann. Section 21-17-1(3)(b)(ii); and

WHEREAS, the city Council further finds that Lessee provides community benefit to Bay St. Louis and Hancock County, MS; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party hereto, Lessor and Lessee agree as follows:

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

**1. Leased Premises.**

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, a portion of the second floor of the of the city-owned building (large room on the top western part of the second floor consisting of approximately 1,532 square feet) at the Historic Bay St. Louis Train Depot located in the Depot District at 1928 Depot Way, Bay St. Louis, Mississippi, 39520. A rendering of the Leased Premises is attached as Exhibit A.

Lessee is entitled to common use of the attendant parking area at the Historic Bay St. Louis Train Depot located in the Depot District at 1928 Depot Way, Bay St. Louis, Mississippi, 39520. Lessee is guaranteed parking spots in the parking area in the front of the Historic Bay St. Louis Train Depot building.

**2. Term.**

The term of this lease shall be for a term, commencing on the date of execution and terminating on July 31, 2029. Lessor has the right to terminate the Lease at any time with a 90 day notice if termination is in the best interest of the City of Bay St. Louis or if the Lessor needs to utilize the property for City purposes.

The parties further acknowledge the renewal of said lease may be subject to (1) fair market value appraisal for adjustment of rent hereunder and (2) affirmation by each succeeding term of the City Council of Bay St. Louis, if applicable.

**3. Rent.**

Lessee agrees to pay market value of \$645.00 per month based on municipal buildings estimation of \$5.00 per square foot upstairs evaluation for 1532 square feet used as Museum.

Lessee shall pay a flat rate of \$175.00 per month to the Lessor for water, sewer, electricity and garbage services associated with Leased Premises. This fee will be referred to as Utility Payment. The \$175.00 will remain in effect for the full term of the lease. The Lessor reserves the right to adjust the flat rate of \$175.00 any time if the City notices an increase in the utility bills at the Leased Premises.

Utility Payment shall be paid by the first (1st) day of each month without notice, demand, deduction, or any setoff whatsoever, at the address of Lessor at City Hall, Bay St. Louis, Mississippi, or at any other place designated Lessor in writing.

**4. Use.**

Lessee shall use the Leased premises and the common areas only for operation of the Alice Moseley Folk Art Museum and in conformity with the rules and regulation of the State of Mississippi. The Leased Premises shall not be used for any purpose in violation of any zoning or

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

other laws or any regulation of any governmental body having jurisdiction over the Leased Premises. The maximum number of persons in attendance at any given time shall not exceed the occupancy limit set by the City of Bay St. Louis Fire Code. In the event Lessee fails to use the Leased Premises for operating the Alice Moseley Folk Art Museum, this Lease is immediately and automatically terminated.

**5. Taxes.**

Lessor is a governmental entity and thus there is no ad valorem assessment on the property; however, in the event it is determined by the Hancock County Tax Assessor/Collector that the leasehold interest is subject to taxation, then Lessee shall be responsible for any assessment on the leasehold interest in the property by Hancock County or any other taxing authority. Failure to pay such ad valorem taxes to the Hancock County Tax Assessor/Collector shall result in immediate termination of this lease agreement.

Lessee shall be responsible for any sales tax that is required by the Mississippi Department of Revenue. Failure to pay such sales tax to the Mississippi Department of Revenue shall result in immediate termination of this lease agreement.

**6. Utilities.**

Lessee shall be responsible for its own telephone service, internet, cable TV, utilities and asset repairs, if needed. Lessee shall pay a flat rate of \$175.00 per month to the Lessor for water, sewer, electricity and garbage services. Any garbage services (i.e. dumpsters, etc.) required for special events of the Lessee shall be the responsibility of the Lessee. The \$175.00 shall be considered a Utility Payment and is due and payable in accordance with Section 3 of this Lease.

**7. Insurance.**

A. During the term of the lease, Lessor shall, at its own expense, keep the building, appurtenant structures and other improvements on the Leased Premises insured for the benefit of Lessor against loss or damage by fire, extended coverage, vandalism, and malicious mischief for the full replacement value of the building, appurtenant structures, and other improvements. The Lessor may comply with the insurance requirements of this section through self-insurance. Lessee shall be responsible for insuring the contents of the museum, including the art work, antiques, office machines, furniture, and any assets of the museum.

B. Lessee shall not commit or permit any acts or failures to act in or about the Leased Premises which may in any way impair or invalidate such policy or policies of insurance for the building. Lessee shall cooperate with Lessor in connection with the collection of any insurance monies that may be due in the event of loss and shall execute and deliver to Lessor such proofs of loss and other instruments as may be required for the purpose of facilitating the recovery of any such insurance monies.

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

**8. Casualty.**

If the Leased Premises are wholly or partially destroyed by fire or other casualty insured against by Lessee, Lessee shall give immediate notice thereof in writing to Lessor, and shall fully cooperate with Lessor in filing all necessary proofs of claim with insurance companies. The proceeds of such insurance applicable to the Leased Premises shall be paid to Lessor, and Lessor may rebuild, repair, or restore the Leased Premises to the condition at the time immediately preceding the loss or damage; provided, however, Lessor may elect to retain such insurance proceeds other than proceeds relating to Lessee's personal property and may not be required to rebuild, repair or restore the Leased Premises. This lease may be terminated if such damage or destruction occurs within the last twelve (12) months of the term of this lease, or if more than one-third ( $\frac{1}{3}$ ) of the Leased Premises is damaged or destroyed. In the event of total destruction of the Leased Premises, the Lessee may terminate the lease.

**9. Liability Insurance.**

During the term of this Lease, Lessee, at the Lessee's expense, shall maintain general public liability insurance to cover claims for injury, wrongful death or property damage occurring upon, in or about the Leased Premises and the appurtenances thereto in companies or other entities and in form acceptable to Lessor. Both Lessor and Lessee shall be adequately covered under limits of liability in an amount not less than One Million Dollars (\$1,000,000.00) in the event of one accident, and in the aggregate. Such insurance, naming the Lessor as an additional insured, will be obtained and evidence thereof delivered to Lessor prior to any occupancy of the Leased Premises by Lessee or upon the commencement of the Lease term, whichever shall occur first.

**10. Liability and Indemnification.**

Lessee shall indemnify and hold Lessor harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, charges and expenses, including reasonable attorneys' fees, which may be imposed upon or incurred by or asserted against Lessor arising from any use, nonuse or condition of the Leased Premises and the appurtenances thereto created by or attributable to Lessee or Lessee's employees, customers, agents, invitees, licensees, guests or lessees unless due to Lessor's sole negligence or intentional misconduct. Lessor shall not be liable for any damage to or theft of any personal property, goods, commodities or materials in or about the Leased Premises.

**11. Maintenance and Repairs.**

**A.** Lessee shall maintain the Leased Premises in good order and condition, which shall include performing all custodial services for the area occupied by Lessee.

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

**B.** Major repairs to original construction will be borne by Lessor and shall be solely within the discretion of Lessor. All Minor Repairs, including day to day wear and tear, shall be borne by the Lessee. Minor repairs are subject to approval by the Lessor. Lessor has the authority to determine and classify a major or minor repair. All major repairs will be reviewed on a case by case basis and completed at the discretion of the Lessor.

**C.** Any damage caused or permitted by Lessee or Lessee's employees, agents, members, licensees, sub-tenants, or invitees to the Leased Premises shall be repaired by the Lessee. If not repaired by the Lessee within a reasonable timeframe, Lessor reserves the right, at the expense of Lessee, to make such repairs and shall separately bill Lessee as additional rent. Failure of Lessee to pay this additional rent will result in termination of the lease agreement.

**D.** The parties agree that any maintenance and repairs on the common area will be reviewed on a case by case basis and each party will be responsible for that portion of the damages and repairs as is allocated to each party.

## **12. Lessee's Improvements.**

Lessee, at Lessee's expense, may make such alterations and improvements to the interior of the Leased Premises as may be necessary or desirable for the conduct of business of Lessee; provided, however, that Lessee shall make no alterations or improvements which may impair the structural strength of the building of which the Leased Premises are a part or which may conflict with any existing provisions of any mortgages on or against the Leased Premises; and provided, further, that Lessee shall first obtain Lessor's written consent for such alterations and improvements. Lessor may require, as a condition to consenting to such alterations or improvements, that work therefore be done by Lessor's own employees or under Lessor's direction, but at the expense of the Lessee. Lessor also may require that Lessee give security that the work will be completed free and clear of liens and in a manner satisfactory to the Lessor. Any alteration or improvement made by Lessee shall be completed expeditiously, subject to any delays beyond the control of Lessee, and in compliance with all laws and ordinances and all rules and regulations of any and all governmental authorities having jurisdiction of or over the Leased Premises. Lessee at its expense shall repair all damages to the Leased Premises, which shall be occasioned by the installation or removal of Lessee's improvements or alterations. Lessor shall not be responsible or liable for any loss of or damage to Lessee's improvements or alterations.

## **13. Liens.**

If the Leased Premises or any part thereof, or Lessee's leasehold interest therein, shall at any time during the term of this Lease become subject to any vendor's, mechanic's, laborer's or materialmen's lien based upon the furnishing of material or labor to Lessee, Lessee shall cause the same, at Lessee's expense, to be discharged with forty-five (45) days after notice thereof, unless the lien and the claim occasioning it is litigated in good faith by the Lessee.

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

**14. Nuisance.**

Notwithstanding anything in this Lease to the contrary, including without limitation the use by Lessee of the Leased Premises in accordance with Article 4 hereunder, Lessee shall not commit or permit any nuisance or other act, whether noise, odor, smoke, sewage, chemical wastes or otherwise, which may disturb the quiet enjoyment of the surrounding neighborhood. Lessee shall not obstruct or cause to be obstructed any public or private roadways, sidewalks, or common areas appurtenant to the building and land of which the Leased Premises and are a part. In the event the Lessee commits or permits any nuisance or act set for in the Article, the same shall be material breach of this Lease.

**15. Condition of Premises.**

Lessee shall take the Leased Premises "as is" and in such physical condition as they are upon the commencement of the term of this Lease. Lessor shall not be liable for any damage or injury to either persons or property sustained by Lessee, its agents, employees, guest, invitees, members, licensees, any subtenant or any other person or entity whatsoever, due in any way to the condition of the Leased Premises, including without limitation damage or loss caused by water, sewage, sewer, leaking of pipes or plumbing works, or by robbery or theft, whether such damage or loss be caused or occasioned by anything or circumstances, whether of a like nature or of a wholly different nature, unless due to Lessor's intentional misconduct.

**16. Assignment; Subletting.**

Lessee shall not assign this Lease or sublet the Leased Premises except with the express approval by Lessor in writing. Lessor may require that the Lessee have any approved subtenant vacate the premises within sixty (60) days written notice from Lessor.

**17. Legal Expenses.**

In the event of any suit initiated by Lessor against the Lessee in any way connected with this Lease, or for the recovery of rent or possession of the Leased Premises, if the Lessor is successful it shall recover from the Lessor reasonable attorney's fees and court costs in connection with said suit.

**18. Signs.**

Lessor acknowledges the existing entrance sign of the museum and deems it acceptable. No other signs, advertisements or notice shall be placed by Lessee on any part of the outside of the building of which the Leased Premises are a part, whether walls, roofs, windows, doors or otherwise, except such as shall be approved in writing by Lessor, and in compliance with the City's sign ordinance. If such approval by Lessor is given, such signs, advertisements or notices

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

shall be installed and maintained at Lessee's expense and shall conform to all applicable governmental laws, rules, and regulations.

**19. Building Rules.**

Lessee shall abide by all rules and regulations of the property imposed by Lessor for the good order and reasonable use of the Leased Premises and contiguous real estate and buildings by all tenants of Lessor and clients, customers, and employees and pursuant to any and all of the City's current building codes and requirements. Breach of building rules and regulations shall be a material breach of this Lease.

**20. Right of Entry.**

Lessor may, during the term of this Lease, at all reasonable times and during usual business hours, enter upon the Lease Premises for the purpose of inspecting the same, and in addition may, at any time within the last six (6) months of the term of this Lease, show the Leased Premises to prospective lessees or prospective purchasers after 48 hours' notice to Lessee.

**21. Surrender.**

Upon the expiration of the term of this Lease, or upon the earlier termination of this Lease, Lessee shall surrender peaceable possession of the Leased Premises in the same condition as the Leased Premises were at the commencement of this Lease, reasonable wear and tear and acts of God excepted.

**22. Notices.**

Any notice required or permitted to be given or served by either to this Lease shall be deemed to have been given or served when made in writing, by certified or registered mail, addressed as follows:

Lessor: Mayor - City of Bay Saint Louis City Hall  
688 Highway 90  
Bay Saint Louis MS 39520

Lessee: Alice Moseley Folk Art Museum  
1928 Depot Way  
Bay Saint Louis, MS 39520

All rental payments shall be made to the Lessor at the above address. Either party may change the addresses from time to time by serving notice as above provided.

**23. Nondiscrimination.**

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

The Lessee shall not discriminate against any individual in any way on account of such individual's race, color, religion, sex, age, handicap or national origin.

**24. Broker.**

No Brokers are associated with this Lease and no broker fees will be paid.

**25. No Waiver.**

Any waiver by any of the parties hereto of any breach of this Lease or of any right of any party shall not constitute a waiver of any other breach or of any other right.

**26. Entire Agreement.**

This Lease contains the entire agreement between the parties hereto, and no term or provision hereof may be changed, waived, discharged or terminated unless the same is in writing executed by both parties hereto.

**27. Time of Essence.**

Time shall be of the essence in the performance of every term, covenant, and condition of the Lease.

**28. Headings.**

The Article headings contained herein are inserted only for convenience of reference and are not way to be construed as a part of this Lease or as a limitation of the scope of the Article to which they refer.

**29. Benefit.**

This Lease shall insure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

**30. Parking and Common Areas.**

Lessee shall have the nonexclusive right to use the parking and common areas around the Leased Premises during the term of this Lease. Lessee shall submit a yearly schedule of events to the Lessor and provide updates as events are added. Bathrooms shall remain open during all public events that are held at the Historic Bay Saint Louis Train Depot.

**31. Quiet Enjoyment.**

So long as Lessee is not in default under the terms of this Lease, Lessee shall be entitled to the quiet enjoyment and use of the Leased Premises according to the terms of this lease.

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

### **32. Defaults of Lessee.**

The occurrence of any one or more of the following events shall be a default and a breach of this Lease by Lessee.

A. Lessee shall fail to pay any Rent, Utility Payment, and/or any Additional Rent within ten (10) days after the same shall be due and payable.

B. Lessee shall fail to perform or observe any term, condition, covenant or obligation required to be performed or observed by it under this Lease for a period of thirty (30) days after notice thereof from Lessor; provided however, that if the term, condition, covenant or obligation to be performed by Lessee is of such nature that the same cannot reasonably be performed within such thirty day period, such default shall be deemed to have been cured if Lessee commences such performance within the thirty day period and thereafter diligently undertakes to complete the same.

C. Lessee shall vacate or abandon the leased premises, or fail to occupy the leased premises for a period of thirty (30) days.

D. The dissolution, termination of existence, discontinuance of its business, insolvency, business failure, or appointment of a receiver over any part of the Lessee's assets in, on or about the leased premises or the Lessee's interest in this Lease, or assignment for the benefit of creditors by Lessee, or the commencement of any proceedings under any bankruptcy reorganization or arrangement laws by or against Lessee.

E. Lessee fails to use the Leased Premises for operating the Alice Moseley Folk Art Museum, this Lease is immediately terminated.

F. Lessee fails to operate the Alice Moseley Folk Art Museum at least thirty (30) hours per week. Operate is defined as the Alice Moseley Folk Art Museum being open to the general public for entrance and admission during standard business hours of a business. A week is defined as a seven day period beginning on Sunday and ending on Saturday. The Lessor has the final determination as to whether Lessee is meeting this requirement.

### **33. Remedies of Landlord.**

Upon the occurrence of any event of default set forth in Paragraph 32 above, Lessor shall have the following rights and remedies, in addition to those allowed by law, any one or more of which may be exercised without further notice to or demand upon Lessee:

A. Lessor may terminate this Lease as of the date of such default, in which event: (1) neither Lessee nor any person claiming under or through Lessee shall thereafter be entitled to possession of the leased premises, and Lessee shall immediately thereafter surrender the

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

premises to Lessor; (2) Lessor may re-enter the premises and dispossess Lessee or any other occupants of the leased premises by any means permitted by law; or

**B.** The Lessor may sue for injunctive relief or to recover damages for any loss resulting from the breach.

**34. Alcohol and Tobacco Products.**

The Lessee shall not display, market, sell, distribute, dispense, transfer, or give away alcohol and/or tobacco products without express written authorization of the City.

**35. Renewal and Termination.**

Lessor has the right to terminate the Lease at any time if termination is in the best interest of the City of Bay Saint Louis or if the Lessor needs to utilize the property for City purposes. Lessee may terminate this agreement upon providing 90 days written notice to the Lessee.

**36. Applicable Law.**

This agreement is controlled and subject to applicable laws of the State of Mississippi.

**37. Amendments.**

Any amendment to this lease must be in writing and signed and executed by both parties to the Agreement.

**38. Miss. Code Ann. Section 21-17-1(3)(b)(ii).**

Miss. Code Ann. Section 21-17-1(3)(b)(ii) allows the Lessor to donate the Leased Premises to Lessee because it is a bona fide not-for-profit that exists under the laws of Mississippi and is granted tax-exempt status by the Internal Revenue Service. Prior to any lease term renewal, Lessee must provide proof to Lessor that it remains a bona fide not-for-profit existing under the laws of Mississippi and is granted tax-exempt status by the Internal Revenue Service. Proof shall be spread upon the minutes of the City Council. It is Lessee's duty to bring forth such documentation and failure to provide such documentation is considered a default and may result in immediate termination of this lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties hereto have executed this Lease this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

**LESSOR**

**LESSEE**

**CITY OF BAY SAINT LOUIS, MISSISSIPPI**

**ALICE MOSELEY FOLK ART  
MUSEUM**

\_\_\_\_\_  
MICHAEL J. FARVE, MAYOR

\_\_\_\_\_  
NAME:  
TITLE:

ATTEST:

ATTEST:

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

# APPENDIX B

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## Draft Lease Agreement – Eastern Wing (Additional Space Proposal)

STATE OF MISSISSIPPI  
COUNTY OF HANCOCK  
CITY OF BAY ST. LOUIS

**LEASE**

THIS LEASE, made and entered into the 1st day of October 2025, by and between the **City of Bay St. Louis, Mississippi**, a municipal corporation, hereinafter referred to as Lessor, and **Alice Moseley Folk Art Museum**, of Bay St. Louis, Mississippi, a Mississippi Non-Profit Corporation, hereinafter referred to as Lessee, as follows:

**WITNESSETH**

WHEREAS, the Alice Moseley Folk Art Museum, a Mississippi Non-Profit Corporation, currently leases space from Lessor. The space is a portion of the second floor of the city-owned building known as the Historic Bay St. Louis Train Depot located at 1928 Depot Way, Bay St. Louis, Mississippi, 39520, which is more specifically described below.

WHEREAS, the portion of the second floor of the city-owned building known as the Historic Bay St. Louis Train Depot located at 1928 Depot Way, Bay St. Louis, Mississippi, is currently not used for municipal purposes and is considered surplus by a duly adopted resolution passed by the City Council at its meeting on August 3, 2021.

WHEREAS, the City Council authorizes a lease agreement with Lessee, wherein Lessee's rent may be waived pursuant to Miss. Code Ann. Section 21-17-1(3)(b)(ii) upon a finding that the Lessee is qualified to receive a donation.

WHEREAS, at its meeting on August 3, 2021, the City Council found that Lessee is qualified to receive a donation pursuant to Miss. Code Ann. Section 21-17-1(3)(b)(ii) since Lessee is a Mississippi Non-Profit Corporation and federally recognized 501(c)(3).

WHEREAS, Miss. Code Ann. Section 21-17-1(3)(b)(ii) states if a City does not wish to donate title of lands to a bona fide not-for-profit then the City may lease the lands to a bona fide not-for-profit civic corporation who exists under the laws of Mississippi and is granted tax-exempt status by the Internal Revenue Service; and

WHEREAS, Lessee will be required to provide proof and assurances to the Lessor that it meets all qualifications of Miss. Code Ann. Section 21-17-1(3)(b)(ii); and

WHEREAS, the city Council further finds that Lessee provides community benefit to Bay St. Louis and Hancock County, MS; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party hereto, Lessor and Lessee agree as follows:

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Lessee Initials: \_\_\_\_\_

**1. Leased Premises.**

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, a portion of the second floor of the of the city-owned building (large room on the top eastern part of the second floor consisting of approximately 1,080 square feet) at the Historic Bay St. Louis Train Depot located in the Depot District at 1928 Depot Way, Bay St. Louis, Mississippi, 39520. A rendering of the Leased Premises is attached as Exhibit A.

Lessee is entitled to common use of the attendant parking area at the Historic Bay St. Louis Train Depot located in the Depot District at 1928 Depot Way, Bay St. Louis, Mississippi, 39520. Lessee is guaranteed parking spots in the parking area in the front of the Historic Bay St. Louis Train Depot building.

**2. Term.**

The term of this lease shall be for a term, commencing on the date of execution and terminating on August 31, 2029. Lessor has the right to terminate the Lease at any time with a 90 day notice if termination is in the best interest of the City of Bay St. Louis or if the Lessor needs to utilize the property for City purposes.

The parties further acknowledge the renewal of said lease may be subject to (1) fair market value appraisal for adjustment of rent hereunder and (2) affirmation by each succeeding term of the City Council of Bay St. Louis, if applicable.

**3. Rent.**

Lessee agrees to pay market value of \$450.00 per month based on municipal buildings estimation of \$5.00 per square foot upstairs evaluation for 1,080 square feet used as Museum.

**4. Use.**

Lessee shall use the Leased premises and the common areas only for operation of the Alice Moseley Folk Art Museum and in conformity with the rules and regulation of the State of Mississippi. The Leased Premises shall not be used for any purpose in violation of any zoning or other laws or any regulation of any governmental body having jurisdiction over the Leased Premises. The maximum number of persons in attendance at any given time shall not exceed the occupancy limit set by the City of Bay St. Louis Fire Code. In the event Lessee fails to use the Leased Premises for operating the Alice Moseley Folk Art Museum, this Lease is immediately and automatically terminated.

**5. Taxes.**

Lessor is a governmental entity and thus there is no ad valorem assessment on the property; however, in the event it is determined by the Hancock County Tax Assessor/Collector

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that the leasehold interest is subject to taxation, then Lessee shall be responsible for any assessment on the leasehold interest in the property by Hancock County or any other taxing authority. Failure to pay such ad valorem taxes to the Hancock County Tax Assessor/Collector shall result in immediate termination of this lease agreement.

Lessee shall be responsible for any sales tax that is required by the Mississippi Department of Revenue. Failure to pay such sales tax to the Mississippi Department of Revenue shall result in immediate termination of this lease agreement.

**6. Utilities.**

Lessee shall be responsible for its own telephone service, internet, cable TV, utilities and asset repairs, if needed. Any garbage services (i.e. dumpsters, etc.) required for special events of the Lessee shall be the responsibility of the Lessee.

**7. Insurance.**

A. During the term of the lease, Lessor shall, at its own expense, keep the building, appurtenant structures and other improvements on the Leased Premises insured for the benefit of Lessor against loss or damage by fire, extended coverage, vandalism, and malicious mischief for the full replacement value of the building, appurtenant structures, and other improvements. The Lessor may comply with the insurance requirements of this section through self-insurance. Lessee shall be responsible for insuring the contents of the museum, including the art work, antiques, office machines, furniture, and any assets of the museum.

B. Lessee shall not commit or permit any acts or failures to act in or about the Leased Premises which may in any way impair or invalidate such policy or policies of insurance for the building. Lessee shall cooperate with Lessor in connection with the collection of any insurance monies that may be due in the event of loss and shall execute and deliver to Lessor such proofs of loss and other instruments as may be required for the purpose of facilitating the recovery of any such insurance monies.

**8. Casualty.**

If the Leased Premises are wholly or partially destroyed by fire or other casualty insured against by Lessee, Lessee shall give immediate notice thereof in writing to Lessor, and shall fully cooperate with Lessor in filing all necessary proofs of claim with insurance companies. The proceeds of such insurance applicable to the Leased Premises shall be paid to Lessor, and Lessor may rebuild, repair, or restore the Leased Premises to the condition at the time immediately preceding the loss or damage; provided, however, Lessor may elect to retain such insurance proceeds other than proceeds relating to Lessee's personal property and may not be required to rebuild, repair or restore the Leased Premises. This lease may be terminated if such damage or destruction occurs within the last twelve (12) months of the term of this lease, or if more than

Lessor Initials: \_\_\_\_\_

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one-third ( $\frac{1}{3}$ ) of the Leased Premises is damaged or destroyed. In the event of total destruction of the Leased Premises, the Lessee may terminate the lease.

**9. Liability Insurance.**

During the term of this Lease, Lessee, at the Lessee's expense, shall maintain general public liability insurance to cover claims for injury, wrongful death or property damage occurring upon, in or about the Leased Premises and the appurtenances thereto in companies or other entities and in form acceptable to Lessor. Both Lessor and Lessee shall be adequately covered under limits of liability in an amount not less than One Million Dollars (\$1,000,000.00) in the event of one accident, and in the aggregate. Such insurance, naming the Lessor as an additional insured, will be obtained and evidence thereof delivered to Lessor prior to any occupancy of the Leased Premises by Lessee or upon the commencement of the Lease term, whichever shall occur first.

**10. Liability and Indemnification.**

Lessee shall indemnify and hold Lessor harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, charges and expenses, including reasonable attorneys' fees, which may be imposed upon or incurred by or asserted against Lessor arising from any use, nonuse or condition of the Leased Premises and the appurtenances thereto created by or attributable to Lessee or Lessee's employees, customers, agents, invitees, licensees, guests or lessees unless due to Lessor's sole negligence or intentional misconduct. Lessor shall not be liable for any damage to or theft of any personal property, goods, commodities or materials in or about the Leased Premises.

**11. Maintenance and Repairs.**

**A.** Lessee shall maintain the Leased Premises in good order and condition, which shall include performing all custodial services for the area occupied by Lessee.

**B.** Major repairs to original construction will be borne by Lessor and shall be solely within the discretion of Lessor. All Minor Repairs, including day to day wear and tear, shall be borne by the Lessee. Minor repairs are subject to approval by the Lessor. Lessor has the authority to determine and classify a major or minor repair. All major repairs will be reviewed on a case by case basis and completed at the discretion of the Lessor.

**C.** Any damage caused or permitted by Lessee or Lessee's employees, agents, members, licensees, sub-tenants, or invitees to the Leased Premises shall be repaired by the Lessee. If not repaired by the Lessee within a reasonable timeframe, Lessor reserves the right, at the expense of Lessee, to make such repairs and shall separately bill Lessee as additional rent. Failure of Lessee to pay this additional rent will result in termination of the lease agreement.

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**D.** The parties agree that any maintenance and repairs on the common area will be reviewed on a case by case basis and each party will be responsible for that portion of the damages and repairs as is allocated to each party.

**12. Lessee's Improvements.**

Lessee, at Lessee's expense, may make such alterations and improvements to the interior of the Leased Premises as may be necessary or desirable for the conduct of business of Lessee; provided, however, that Lessee shall make no alterations or improvements which may impair the structural strength of the building of which the Leased Premises are a part or which may conflict with any existing provisions of any mortgages on or against the Leased Premises; and provided, further, that Lessee shall first obtain Lessor's written consent for such alterations and improvements. Lessor may require, as a condition to consenting to such alterations or improvements, that work therefore be done by Lessor's own employees or under Lessor's direction, but at the expense of the Lessee. Lessor also may require that Lessee give security that the work will be completed free and clear of liens and in a manner satisfactory to the Lessor. Any alteration or improvement made by Lessee shall be completed expeditiously, subject to any delays beyond the control of Lessee, and in compliance with all laws and ordinances and all rules and regulations of any and all governmental authorities having jurisdiction of or over the Leased Premises. Lessee at its expense shall repair all damages to the Leased Premises, which shall be occasioned by the installation or removal of Lessee's improvements or alterations. Lessor shall not be responsible or liable for any loss of or damage to Lessee's improvements or alterations.

**13. Liens.**

If the Leased Premises or any part thereof, or Lessee's leasehold interest therein, shall at any time during the term of this Lease become subject to any vendor's, mechanic's, laborer's or materialmen's lien based upon the furnishing of material or labor to Lessee, Lessee shall cause the same, at Lessee's expense, to be discharged with forty-five (45) days after notice thereof, unless the lien and the claim occasioning it is litigated in good faith by the Lessee.

**14. Nuisance.**

Notwithstanding anything in this Lease to the contrary, including without limitation the use by Lessee of the Leased Premises in accordance with Article 4 hereunder, Lessee shall not commit or permit any nuisance or other act, whether noise, odor, smoke, sewage, chemical wastes or otherwise, which may disturb the quiet enjoyment of the surrounding neighborhood. Lessee shall not obstruct or cause to be obstructed any public or private roadways, sidewalks, or common areas appurtenant to the building and land of which the Leased Premises and are a part. In the event the Lessee commits or permits any nuisance or act set for in the Article, the same shall be material breach of this Lease.

Lessor Initials: \_\_\_\_\_

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**15. Condition of Premises.**

Lessee shall take the Leased Premises "as is" and in such physical condition as they are upon the commencement of the term of this Lease. Lessor shall not be liable for any damage or injury to either persons or property sustained by Lessee, its agents, employees, guest, invitees, members, licensees, any subtenant or any other person or entity whatsoever, due in any way to the condition of the Leased Premises, including without limitation damage or loss caused by water, sewage, sewer, leaking of pipes or plumbing works, or by robbery or theft, whether such damage or loss be caused or occasioned by anything or circumstances, whether of a like nature or of a wholly different nature, unless due to Lessor's intentional misconduct.

**16. Assignment; Subletting.**

Lessee shall not assign this Lease or sublet the Leased Premises except with the express approval by Lessor in writing. Lessor may require that the Lessee have any approved subtenant vacate the premises within sixty (60) days written notice from Lessor.

**17. Legal Expenses.**

In the event of any suit initiated by Lessor against the Lessee in any way connected with this Lease, or for the recovery of rent or possession of the Leased Premises, if the Lessor is successful it shall recover from the Lessor reasonable attorney's fees and court costs in connection with said suit.

**18. Signs.**

Lessor acknowledges the existing entrance sign of the museum and deems it acceptable. No other signs, advertisements or notice shall be placed by Lessee on any part of the outside of the building of which the Leased Premises are a part, whether walls, roofs, windows, doors or otherwise, except such as shall be approved in writing by Lessor, and in compliance with the City's sign ordinance. If such approval by Lessor is given, such signs, advertisements or notices shall be installed and maintained at Lessee's expense and shall conform to all applicable governmental laws, rules, and regulations.

**19. Building Rules.**

Lessee shall abide by all rules and regulations of the property imposed by Lessor for the good order and reasonable use of the Leased Premises and contiguous real estate and buildings by all tenants of Lessor and clients, customers, and employees and pursuant to any and all of the City's current building codes and requirements. Breach of building rules and regulations shall be a material breach of this Lease.

**20. Right of Entry.**

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

Lessor may, during the term of this Lease, at all reasonable times and during usual business hours, enter upon the Lease Premises for the purpose of inspecting the same, and in addition may, at any time within the last six (6) months of the term of this Lease, show the Leased Premises to prospective lessees or prospective purchasers after 48 hours' notice to Lessee.

**21. Surrender.**

Upon the expiration of the term of this Lease, or upon the earlier termination of this Lease, Lessee shall surrender peaceable possession of the Leased Premises in the same condition as the Leased Premises were at the commencement of this Lease, reasonable wear and tear and acts of God excepted.

**22. Notices.**

Any notice required or permitted to be given or served by either to this Lease shall be deemed to have been given or served when made in writing, by certified or registered mail, addressed as follows:

Lessor:	Mayor - City of Bay Saint Louis City Hall 688 Highway 90 Bay Saint Louis MS 39520
Lessee:	Alice Moseley Folk Art Museum 1928 Depot Way Bay Saint Louis, MS 39520

All rental payments shall be made to the Lessor at the above address. Either party may change the addresses from time to time by serving notice as above provided.

**23. Nondiscrimination.**

The Lessee shall not discriminate against any individual in any way on account of such individual's race, color, religion, sex, age, handicap or national origin.

**24. Broker.**

No Brokers are associated with this Lease and no broker fees will be paid.

**25. No Waiver.**

Any waiver by any of the parties hereto of any breach of this Lease or of any right of any party shall not constitute a waiver of any other breach or of any other right.

**26. Entire Agreement.**

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

This Lease contains the entire agreement between the parties hereto, and no term or provision hereof may be changed, waived, discharged or terminated unless the same is in writing executed by both parties hereto.

**27. Time of Essence.**

Time shall be of the essence in the performance of every term, covenant, and condition of the Lease.

**28. Headings.**

The Article headings contained herein are inserted only for convenience of reference and are not way to be construed as a part of this Lease or as a limitation of the scope of the Article to which they refer.

**29. Benefit.**

This Lease shall insure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

**30. Parking and Common Areas.**

Lessee shall have the nonexclusive right to use the parking and common areas around the Leased Premises during the term of this Lease. Lessee shall submit a yearly schedule of events to the Lessor and provide updates as events are added. Bathrooms shall remain open during all public events that are held at the Historic Bay Saint Louis Train Depot.

**31. Quiet Enjoyment.**

So long as Lessee is not in default under the terms of this Lease, Lessee shall be entitled to the quiet enjoyment and use of the Leased Premises according to the terms of this lease.

**32. Defaults of Lessee.**

The occurrence of any one or more of the following events shall be a default and a breach of this Lease by Lessee.

**A.** Lessee shall fail to pay any Rent, Utility Payment, and/or any Additional Rent within ten (10) days after the same shall be due and payable.

**B.** Lessee shall fail to perform or observe any term, condition, covenant or obligation required to be performed or observed by it under this Lease for a period of thirty (30) days after notice thereof from Lessor; provided however, that if the term, condition, covenant or obligation to be performed by Lessee is of such nature that the same cannot reasonably be performed within such thirty day period, such default shall be deemed to have been cured if Lessee commences

Lessor Initials: \_\_\_\_\_

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such performance within the thirty day period and thereafter diligently undertakes to complete the same.

**C.** Lessee shall vacate or abandon the leased premises, or fail to occupy the leased premises for a period of thirty (30) days.

**D.** The dissolution, termination of existence, discontinuance of its business, insolvency, business failure, or appointment of a receiver over any part of the Lessee's assets in, on or about the leased premises or the Lessee's interest in this Lease, or assignment for the benefit of creditors by Lessee, or the commencement of any proceedings under any bankruptcy reorganization or arrangement laws by or against Lessee.

**E.** Lessee fails to use the Leased Premises for operating the Alice Moseley Folk Art Museum, this Lease is immediately terminated.

**F.** Lessee fails to operate the Alice Moseley Folk Art Museum at least thirty (30) hours per week. Operate is defined as the Alice Moseley Folk Art Museum being open to the general public for entrance and admission during standard business hours of a business. A week is defined as a seven day period beginning on Sunday and ending on Saturday. The Lessor has the final determination as to whether Lessee is meeting this requirement.

### **33. Remedies of Landlord.**

Upon the occurrence of any event of default set forth in Paragraph 32 above, Lessor shall have the following rights and remedies, in addition to those allowed by law, any one or more of which may be exercised without further notice to or demand upon Lessee:

**A.** Lessor may terminate this Lease as of the date of such default, in which event: (1) neither Lessee nor any person claiming under or through Lessee shall thereafter be entitled to possession of the leased premises, and Lessee shall immediately thereafter surrender the premises to Lessor; (2) Lessor may re-enter the premises and dispossess Lessee or any other occupants of the leased premises by any means permitted by law; or

**B.** The Lessor may sue for injunctive relief or to recover damages for any loss resulting from the breach.

### **34. Alcohol and Tobacco Products.**

The Lessee shall not display, market, sell, distribute, dispense, transfer, or give away alcohol and/or tobacco products without express written authorization of the City.

### **35. Renewal and Termination.**

Lessor Initials: \_\_\_\_\_

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Lessor has the right to terminate the Lease at any time if termination is in the best interest of the City of Bay Saint Louis or if the Lessor needs to utilize the property for City purposes. Lessee may terminate this agreement upon providing 90 days written notice to the Lessee.

**36. Applicable Law.**

This agreement is controlled and subject to applicable laws of the State of Mississippi.

**37. Amendments.**

Any amendment to this lease must be in writing and signed and executed by both parties to the Agreement.

**38. Miss. Code Ann. Section 21-17-1(3)(b)(ii).**

Miss. Code Ann. Section 21-17-1(3)(b)(ii) allows the Lessor to donate the Leased Premises to Lessee because it is a bona fide not-for-profit that exists under the laws of Mississippi and is granted tax-exempt status by the Internal Revenue Service. Prior to any lease term renewal, Lessee must provide proof to Lessor that it remains a bona fide not-for-profit existing under the laws of Mississippi and is granted tax-exempt status by the Internal Revenue Service. Proof shall be spread upon the minutes of the City Council. It is Lessee's duty to bring forth such documentation and failure to provide such documentation is considered a default and may result in immediate termination of this lease.

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Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties hereto have executed this Lease this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

**LESSOR**

**LESSEE**

**CITY OF BAY SAINT LOUIS, MISSISSIPPI**

**ALICE MOSELEY FOLK ART  
MUSEUM**

\_\_\_\_\_  
MICHAEL J. FARVE,  
MAYOR

\_\_\_\_\_  
MCKENZEE A. NORTINGTON,  
EXECUTIVE DIRECTOR

ATTEST:

ATTEST:

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
DENNIS SMITH, JR  
CHAIRMAN

Lessor Initials: \_\_\_\_\_

Lessee Initials: \_\_\_\_\_