

**SUB-RECIPIENT FUNDING AGREEMENT
BETWEEN
THE CITY OF DULUTH
AND THE
ARROWHEAD ZOOLOGICAL SOCIETY, INC.**

THIS AGREEMENT, effective as of the date of attestation by the City Clerk (“Effective Date”), is entered into by and between the CITY OF DULUTH, a Minnesota municipal corporation (the “City”), and the Arrowhead Zoological Society, Inc, d/b/a Lake Superior Zoological Society, a Minnesota 501(c)(3) nonprofit corporation (the “Grantee”). The City and Grantee are hereinafter referred to as a “Party” or collectively as the “Parties.”

WHEREAS, pursuant to the authorization of City Council Resolution No. 16-0436, the Parties entered into a “Zoo Management Agreement” for the operation of the Lake Superior Zoological Gardens (the “Zoo”), which agreement is hereinafter referred to as the “Management Agreement”; and

WHEREAS, the Grantee was appropriated an Urban and Community Forestry Grant through the State of Minnesota to support the Zoo Grounds Revitalization Project, which includes planting of new trees throughout the Zoo and educational signage, see attached Grant Project Deliverables as **Exhibit A**, (the “Project”); and

WHEREAS, the State of Minnesota must award the Urban and Community Forestry Grant of \$150,000, attached as **Exhibit B** (the “Grant”), to a municipality and the City of Duluth is willing and able to accept the Grant with the Grantee as the subrecipient for the funding that will support the Project.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

1. **AWARD.** The Grantee will be the subrecipient to the City for the Grant, including satisfactory performance of its obligations under the Grant including:
 - A. Perform the duties specified in the Grant Project Deliverables, which is attached as **Exhibit A** and incorporated into this Agreement.
 - B. Submission of status updates and reporting as indicated in the Grant or as reasonably requested by the State of Minnesota or City of Duluth.
 - C. In the event of a conflict between the Grant and this Subrecipient Agreement, the documents shall be deemed to be controlling in the following order: 1) the Grant, and 2) this Subrecipient Agreement.

Notwithstanding anything to the contrary, the Grantee understands and agrees that any reduction or termination of the Grant may result in a like reduction or termination of this Subrecipient Agreement, and that any material change in the timeline or scope of the Project must be approved in writing by the City and the State of Minnesota.

2. **PERFORMANCE.** The Grantee must comply with all requirements applicable to the City in the Grant. If the City finds that there has been a failure to comply with the provisions of this Agreement or that reasonable progress on the Project has not been or will not be made, the City may take action to protect its interests, including refusal to disburse additional funds. If action to correct substandard performance is not taken by the Grantee within 60 calendar days (or such longer period specified by the City) after written notice by the City, the City may terminate this Agreement.

3. **TIME OF PERFORMANCE.** The Grantee must complete the Project on or before June 30, 2026. To ensure that all funds are drawn prior to the final invoice and update deadline of June 30, 2026, all payment requests must be received by the City by June 15, 2026. The City is not obligated to pay for any Project costs incurred thereafter.
4. **CONDITIONS PRECEDENT TO DISBURSEMENT.** The following requirements are conditions precedent to the City's disbursement of any of the Subgrant funds:
 - A. The Grantee must have provided the City with evidence of compliance with the insurance requirements of Section 7(F) herein.
 - B. The Grantee must have provided to the City such evidence of compliance with all of the provisions of this Agreement as the City may reasonably request.
5. **DISBURSEMENT.** It is expressly agreed and understood that the total amount to be paid by the City under this Agreement shall not exceed the sum of One Hundred and Fifty Thousand Dollars (\$150,000.00), payable from fund number 200-130-5310 (Lake Superior Zoo fund, community resources, contract services). The City will pay Grantee for services performed for the Project under this Agreement as specified in the Grant Project Deliverables. Invoices may be submitted on a monthly basis or other timeframe approved in writing by the City. Invoice submissions must include supportive documentation, including receipts and timesheets, as required by the terms and conditions of the Grant.
6. **NOTICES.** Communication and details concerning this Agreement must be directed to the following Agreement representatives:

CITY:	City of Duluth	GRANTEE:	Lake Superior Zoological Society
Attn:	Jessica Peterson	Attn:	Haley Hedstrom
Address:	Parks & Recreation 411 W. 1 st Street Duluth, MN 55802	Address:	7210 Fremont Street Duluth, MN 55807
Telephone:	(218) 730-4309	Telephone:	(218) 730-4500 ext. 203

7. **GENERAL CONDITIONS.**

- A. **General Compliance.** The Grantee agrees to comply with all applicable federal, state and local laws and regulations governing the project and funds provided under this Agreement.
- B. **Civil Rights Assurances.** Grantee and City, and their respective officers, agents, servants and employees, as part of the consideration under this Agreement, do hereby covenant and agree that:
 - i. No person on the grounds of race, color, creed, religion, national origin, ancestry, age, marital status, status with respect to public assistance, sexual orientation and/or disability shall be excluded from any participation in, denied any benefits of or otherwise subjected to discrimination with regard to the services provided under this Agreement.
 - ii. That all activities to be conducted pursuant to this Agreement shall be conducted in accordance with the Minnesota Human Rights Act of 1974, as amended (Chapter 363), Title 7 of the U.S. Code and any regulations and executive orders which may be affected with regard thereto.
- C. **Termination.** In the event the Grant is terminated, this Agreement shall contemporaneously terminate. Upon termination, Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

- D. **Independent Contractor.** Nothing contained in this Agreement is intended to, or may be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. Grantee and its officers, agents or employees shall not be considered an employee of the City for any purpose or in any manner whatsoever. Any and all claims that may or might arise on behalf of Grantee arising out of employment or alleged employment, including without limitation, claims of discrimination shall in no way be the responsibility of the City. Grantee and its officers, agents, or employees shall not be entitled to claim or collect from the City any compensation or rights or benefits of any kind whatsoever, including but not limited to, hospital care, sick leave and vacation pay, Workers' Compensation, Unemployment Insurance, disability pay or severance pay. Furthermore, the City shall not, in any way, be responsible to defend, indemnify or save harmless Grantee, its officers, agents or employees from liability or judgments arising out of the intentional or negligent acts or omissions of Grantee while performing the work specified hereunder.
- E. **Indemnification/Hold Harmless/Liability.** To the extent allowed by law, Grantee shall defend, indemnify and hold City and its employees, officers, and agents harmless from and against any and all cost or expenses, claims or liabilities, including but not limited to, reasonable attorneys' fees and expenses in connection with any claims resulting from Grantee's a) breach of this agreement or b) its negligence or misconduct or that of its agents or employees in performing the Services hereunder. This Section shall survive the termination of this Agreement for any reason.
- F. **Insurance.** Grantee shall provide and maintain in full force and effect during the life of this Agreement the following minimum amounts of insurance:
- i. Workers' compensation insurance in accordance with applicable law.
 - ii. Commercial General and Automobile Liability Insurance with limits not less than \$1,000,000 Single Limit and \$1,000,000 Umbrella with a "following form" provision; and shall provide for the following: Liability for Premises, Operations, Completed Operations, Independent Contractors, and Contractual Liability.
 - iii. The City of Duluth shall be named as an Additional Insured under the Commercial General, Umbrella and Automobile Liability policies and Grantee will provide a Certificate of Insurance evidencing such coverage with 30-days' notice of cancellation provisions included. The City does not represent or guarantee that these types of limits of coverage are adequate to protect the Grantee's interests and liabilities.

8. ADMINISTRATIVE REQUIREMENTS.

- A. **Accounting Standards.** The Grantee agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by generally accepted accounting practices to properly account for expenses incurred under this Agreement.
- B. **Records.**
- i. *Retention.* The Grantee must retain all records pertinent to expenditures incurred under this Agreement until conclusion of the latest of (a) six years after the conclusion of this Agreement; (b) six years from the Grant term end date; (c) six years after the Grantee has expended all proceeds of the Grant; or (d) six years after the resolution of all audit findings.
 - ii. *Inspections.* All Grantee records with respect to any matters covered by this Agreement must be made available to the City or their designees at any time during normal business hours, as often as the City deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. In addition, the Grantee shall give the State of Minnesota, the Legislative Auditor, and the State Auditor's Office, through any authorized representatives, access to and the right to examine all records, books, papers, and documents related to this Agreement.

- iii. *Data Practices Act*. The Grantee must comply with the Minnesota Government Data Practices Act, Chapter 13.
- iv. *Close-Outs*. The Grantee's obligation to the City does not end until all closeout requirements are completed. Activities during this close-out period include: making final payments and determining the custodianship of records and resolving audit findings.

C. **Payments**. The City will reimburse the Grantee with funds available under this Agreement based upon submitted invoices and consistent with City policy concerning payments.

9. MISCELLANEOUS.

- A. **Assignability**. The Grantee may not assign or transfer any interest in this Agreement (whether by assignment or novation) without the prior written consent of the City; provided, however, that claims for money due or to become due to the Grantee from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer must be furnished promptly to the City.
- B. **Copyright**. All work product created under this Agreement will be the sole and exclusive property of the City, and all right, title and interest therein shall vest in the City and shall be deemed to be works made for hire and made in the course of the services rendered by Grantee hereunder.
- C. **Relationship of the Parties**. It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of co-partners, joint ventures, or joint enterprise between the parties hereto or constituting either party as an agent, representative or employee of the other for any purpose or in any manner whatsoever.
- D. **Governing Law**. This Agreement will be governed by, and construed in accordance with, the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota.
- E. **Counterparts**. This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all of which taken together constitute one and the same agreement. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.
- F. **Severability**. In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

10. **ENTIRE AGREEMENT AND AMENDMENT**. This Agreement, including Exhibits A-B, contains all negotiations and agreements between the City and Grantee. No other understanding, agreements or understandings regarding the Grant, or this Agreement, may be used to bind either party. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed intending to be bound thereby.

CITY OF DULUTH

**LAKE SUPERIOR ZOOLOGICAL
SOCIETY**

By: _____

City Administrator (per delegated Authority)

Date: _____

Attest:

City Clerk

Date: _____

Countersigned:

City Auditor

Approved as to form:

City Attorney

By: _____

Haley Hedstrom, Executive Director

Date: _____

Exhibit A: Grant Project Deliverables

Zoo Tree Planting Grants

City of Duluth for Lake Superior Zoo Deliverables

Grant Sum Total: \$150,000

Grant Contact Deliverables

- **List of Removed and Planted Trees** – A record of trees taken out and new trees planted including a map of zoo grounds and their locations.
- **Animal Orchard** – A protected orchard with fruit trees for animals and educational opportunities for kids.
- **Browse Forest** – A planted area where trees grow food for herbivorous animals.
- **Educational Signs** – Informational signs about trees, conservation, and animal benefits.
- **Improved Zoo Landscape** – Better-looking, greener spaces for visitors and animals.
- **Animal Welfare Enhancements** – More shade, long-range climbing opportunities, and fresh food for zoo animals.

Regardless of requests for reimbursement, a written update must be submitted by each reporting deadline, to confirm project is moving forward and on track to completion. Add written reports directly below corresponding to each reporting date:

September 1st, 2025 Update:

March 1st, 2026 Update:

June 30th, 2026 Update:

Project Completion: All project work must be completed, paid for, submitted for reimbursement (along with corresponding final reports) by June 30, 2026.

*As work is completed, thoroughly address all project-specific bullet points below. Add in the date of reporting (i.e. 9/1/25) and change the font color of your update to **red**, to show where information has been added. Continually add to this document over the lifetime of your grant, making sure that all bullet points are addressed by the time of the grant's completion.*

Work with DNR to fully execute and report on the impacts of the work plan by meeting the requirements as submitted in the City of Duluth for Lake Superior Zoo application:

Zoo Grounds Revitalization Project Plan Summary

Project Overview

This project focuses on revitalizing the zoo grounds by removing invasive and diseased trees to make space for native and non-invasive tree species. These native and non-invasive trees will not only enhance the zoo's landscape but also provide essential shade, improve biodiversity, and contribute to a more sustainable ecosystem for both the animals and visitors.

Additionally, two key features—the **Animal Orchard** and the **Browse Forest**—will be established to further support the zoo’s mission of conservation, education, and animal welfare.

Key Project Components

1. Native Tree Planting & Invasive Tree Removal

- Identify and remove invasive and diseased trees that threaten the health of the zoo’s ecosystem.
- Replace removed trees with a variety of native and non-invasive species to promote biodiversity and provide natural shade.
- Enhance visitor experience with improved scenic landscapes and educational signage.
- Elevate animal habitats with natural shade and climbing opportunities.

2. Animal Orchard

- Develop an orchard with fruit trees and shrubs that will serve as a sustainable food source for the animals.
- Establish a partnership with the zoo’s preschool program to integrate hands-on learning experiences for children, including harvesting and understanding plant-animal relationships.
- Encourage pollinators, such as bees and butterflies, to thrive within the zoo grounds, supporting a balanced ecosystem.

3. Browse Forest

- Create a dedicated forest area where native trees and shrubs are planted specifically for harvesting browse for the zoo’s herbivorous animals.
- Design signage to educate visitors on how each tree species benefits different animal species.
- Implement a sustainable harvesting plan to ensure continuous growth and regeneration of browse materials.

Need/Project Benefits

- Enhances animal welfare by providing fresh, natural food sources and improved shaded habitats.
- Supports conservation efforts by reintroducing native tree species and adding non-invasive species overall promoting biodiversity.
- Offers educational opportunities for visitors, particularly young children, to engage with nature and learn about sustainability.
- Improves the overall aesthetics and environmental health of the zoo grounds.
- Improves canopy cover across the zoo since the removal of the Ash trees that were affected by the emerald ash borer.

This revitalization project will create a lasting impact, fostering a more sustainable and enriching environment for both wildlife and visitors while reinforcing the zoo’s commitment to conservation and education.

Project Timeline

May 2025

- List of trees to be removed
- Order trees
- Order equipment
- Consult with landscaping company
- Consult with fencing contractor
- Tree delivery and planting part 1
- Order fencing materials
- Site preparation for browse forest and animal orchard
- Consult with utilities installation

June 2025

- Water stock tank installation
- Landscape Browse Forest
- Fencing and landscaping Animal Orchard

July 2025

- Develop map of Animal Orchard and Browse Forest
- Interpretation Development

August 2025

- Signage development
- Zoo-wide tree inventory

September 2025

- Signage printing/install
- Zoo-wide tree inventory
- Zoo tree care manual development
- *1st update report due

October 2025

- Zoo tree map development
- Zoo Tree Care Manual finished

November 2025

- Browse Forest harvesting guide development
- Animal Orchard SOP development

December 2025

- Browse Forest Harvesting Guide complete
- Animal Orchard SOP complete

January 2026

- Staff training development
- Volunteer training development

February 2026

- Staff training development
- Volunteer training development

March 2026

- Staff Training
- Volunteer Training
- *2nd Update report due

April 2026

- Spring tree assessment
- Spring order to replace trees that failed

May 2026

- Plant replacement trees
- Final report development

June 2026

- Final report due 6/30/26

Project Budget Explanation

The budget for this project has been broken down into Contractor Costs, Trees, Planting Supplies, and Equipment. City of Duluth for LSZoo will be using a contractor to do site preparation work and planting of the trees. A landscaping company will be chosen to prepare the sites for the trees appropriately (dirt, drainage, etc). This contractor will work both in animal habitats and around zoo grounds. A contractor will be brought in to install the fencing around the Animal Orchard and any other trees that will need exclusionary fencing. This contractor will work inside and outside animal habitats to protect the trees. A contractor will be brought in to install water tanks and other temporary infrastructure as needed to the Animal Orchard location. This temporary infrastructure will allow staff to pump water to the Animal Orchard and Browse Forest. Planting supplies includes the tools and materials needed to care for the trees and their supplies. Supplies include shovels, sprinklers, hoses, tarps, tree wrap, etc. Equipment expenses will be focused on attachments to our skid steer. We will purchase a tree pulling attachment, a log lifting attachment and a wood grinding attachment. These attachments will allow us to remove the diseased trees currently on site and allow us to care for the future trees. The Tree category is explained in more detail in the tree list attached. This list will be added to and updated as trees come in season and costs change.

Communication

The DNRs grant will be reported in the Zoo's monthly Board Reports and Annual Accomplishments report. The Zoo will also be announcing the work of this grant in their social media pages and zoo member news.

Key Personnel

Lizzy Larson, Director of Animal Management and Facilities, will act as the project coordinator. Lizzy Larson has been the Director of Animal Management and Facilities for the Lake Superior Zoo for 3 years and has managed 2 grant projects and multiple construction projects throughout the zoo. Lizzy has a BA in Animal Science with an emphasis in Animal Industry.

Heidi Beal, Director of Business Operations. Heidi Beal has worked at the Lake Superior Zoo for 10 years and has managed dozens of grant projects and the accompanying accounting. Heidi is responsible for reimbursement requests and financial accounting for the grant.

Emily Perala, Lead Animal Care Specialist, Enrichment and Wellbeing Coordinator. Emily has worked for the Lake Superior Zoo for the last 13 years. Emily has managed many planting projects across zoo grounds. Emily also holds a MN DOT Landscape Certification.

Haley Hedstrom, Executive Director. Haley will provide an advisory and marketing role for the project. Haley has been the Executive Director for the Lake Superior Zoo for the last 5 years. Haley has managed many grant projects throughout her time at the zoo. Haley and the marketing team will lead the communication with the community on the project and its progress.

Angie Hasset, Financial Analyst for City of Duluth will be overseeing grant administration on the city side. Angie manages other funding for City of Duluth and pass through for the Lake Superior Zoo.

Tree Planting

Grant funds will not fund the purchase of trees that are over-represented in your community. Species list must increase the diversity of the community's tree canopy to work toward the 20-10-5 guidelines, meaning a community has no more than 20% of their trees within a single family, no more than 10% of their trees within a single genus, and no more than 5% of their trees within a single species. Numbers derived from the Minnesota Department of Natural Resources 2010 Rapid Assessment will be used unless an updated inventory is provided. For your community this means grant funds cannot be spent on purchasing:

- *Picea* (spruce): 25.0%
- *Acer* (maple): 17.3%
- *Fraxinus* (ash): 13%

All trees planted with grant funds are expected to be maintained based on Lake Superior Zoo's Three Year Tree Establishment Plan submitted as Exhibit C. Trees that do not survive will need to be replaced prior to grant close-out utilizing the warranty the city has with the nursery that stock was purchased from, or at the expense of the Lake Superior Zoo.

Tree planting projects must follow standards set in [A Pocket Guide to Planting Trees](#). Tree planting projects must also identify tree species; site location; and number, size, and type of planting stock. Tree species listed on the [Minnesota Invasive Terrestrial Plants](#) list are not eligible for grant expenses, including Amur cork tree, Amur maple, autumn olive, black locust, buckthorn, Norway maple, Russian olive, Siberian elm, and tree of heaven. Species list and numbers can be amended following the submission of tree inventory/survey data.

All tree planting projects require that all tree stock must meet [ANSI Z-60.1](#) and can be:

- ¾-2 inch caliper bareroot,
- a container class size #20 or smaller,
- or balled and burlapped trees smaller than 2.5" caliper ([MNDOT Certified Landscape Specialist](#) training required by planting organization in order for B&B trees to be eligible).

DNR recommends trees be purchased with a one-year warranty. Flexibility is possible in instances where desired stock is unavailable.

Requesting Reimbursement

Accomplishment reports and maps of completed work will be submitted with all requests for reimbursement.

- Partial payment form along with invoices and proof of payment for grant-funded purchases
- Partial payments may be submitted as needed, following the above reporting date schedule, and must include all up-to-date required documents and accomplishment reports
- Accomplishment reports will include grant contract deliverables and their impacts
- Photo documentation of the project's progress at appropriate phases, and illustrations, diagrams, charts, graphs, and maps to show results
- Maps will:
 - Identify the location and species of trees that have been planted
- All trees planted will be mapped and submitted as shapefiles if possible, with the planted trees identified by species and size, to obtain grant fund reimbursement. If your community does not have access to shapefile-generating software, please notify your DNR Urban and Community Forestry Team Member, and they will work to assist you.

Following the submission of invoices and accomplishment reports, a compliance check will be conducted by Minnesota Department of Natural Resources staff. Staff will do a site evaluation ensuring that tree species submitted on maps are correctly identified and planted in accordance with the standards set in the Minnesota Department of Natural Resources [Pocket Guide to Planting Trees](#).

Staff will also ensure that the project adheres to the 20-10-5 guideline which means that following planting, a community has no more than 20% of their trees within a single family, no more than 10% of their trees within a single genus, and no more than 5% of their trees within a single species. Staff will confirm that planted tree stock is within allowable metrics outlined in the Tree Planting section.

Ineligible Project Expenses

Ineligible project expenses include, but are not limited to:

- Costs incurred prior to the start date on the fully executed grant agreement
- Purchase of trees listed on the [Minnesota Invasive Terrestrial Plants](#) and [Minnesota Noxious Weed](#) lists, including Amur cork tree, Amur maple, autumn olive, black locust, buckthorn, Callery pear, Norway maple, Russian olive, Siberian elm, Tatarian maple, and tree of heaven
- Containerized trees larger than #20, and bareroot trees greater than 2" caliper diameter
- Purchase of tree species that already make up 10% or more of the community's public trees, or whose family makes up 20% or more of the public trees
- Purchase of plants such as shrubs, living ground covers, sod, grass seed, and flowers
- Purchase of land or easements
- Major soil and grade changes or construction
- Equipment purchases equal to or exceeding \$5,000
- Purchase of meals or snacks for volunteers
- Experimental practices not approved by DNR

Acknowledgments

Minnesota Department of Natural Resources

The Minnesota Department of Natural Resources needs to be acknowledged in publications, audiovisuals, and electronic media developed as a result of this award.

- Logo is permitted for use and can be obtained upon request.
- DNR will provide a media kit to assist with publications and outreach related to this grant program. Refer to this media kit for suggested acknowledgment language.

Project Budget
Zoo Tree Planting Grants
City of Duluth for Lake Superior Zoo Deliverables

Item	State Grant Funds	Cash Match	In-kind Match	Total
Personnel and Owned Equipment				\$0.00
Eligible Expenses	\$150,000			
Totals	\$150,000	\$0.00	\$0.00	\$150,000

**STATE OF MINNESOTA
GRANT CONTRACT AGREEMENT**

This grant contract agreement is between the State of Minnesota, acting through its Commissioner of Department of Natural Resources, Division of Forestry, 500 Lafayette Road, St. Paul, MN 55155 ("STATE") and City of Duluth, 411 West First Street, Duluth MN 55802 ("GRANTEE").

Recitals

1. Under Minn. Stat. §84.026, §84.085, Subd. 1, [HF 3911, Subdivision 19](#) the State is empowered to enter into this grant contract agreement.
2. The State is in need of Urban and Community Forestry services.
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract agreement to the satisfaction of the State. Pursuant to [Minn.Stat. §16B.98](#), Subd.1, the Grantee agrees to minimize administrative costs as a condition of this grant contract agreement.

Grant Contract Agreement

1 Term of Grant Contract Agreement

1.1 *Effective date:*

May 21, 2025, notwithstanding [Minn. Stat. §16B.98](#), Subd. 5, the grantee submitted and the State approved a work plan and budget whose expenditures can be reimbursed as of the effective date of this grant agreement pursuant to [Minn.Stat. §16B.98](#), Subd. 11. Per [Minn.Stat. §16B.98](#) Subd. 7, no payments will be made to the Grantee until this grant contract agreement is fully executed.

1.2 *Expiration date:*

June 30, 2026, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

1.3 *Survival of Terms.*

The following clauses survive the expiration or cancellation of this grant contract agreement: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.

2 Grantee's Duties

The Grantee, who is not a state employee, will:

Comply with required grants management policies and procedures set forth through [Minn.Stat. §16B.97](#), Subd. 4 (a) (1).

Perform the duties specified in Exhibit A which is attached and incorporated into this Grant Contract Agreement.

3 Time

The Grantee must comply with all the time requirements described in this grant contract agreement. In the performance of this grant contract agreement, time is of the essence.

4 Consideration and Payment

4.1 *Consideration.*

The State will pay for all services performed by the Grantee under this grant contract agreement as follows:

(a) *Compensation*

The Grantee will be paid on a reimbursement basis up to a maximum of \$150,000.00.

(b) *Travel Expenses*

Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this grant contract agreement will not exceed \$0.00; provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out

of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

(c) Total Obligation.

The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract agreement will not exceed \$150,000.00, One Hundred Fifty Thousand Dollars.

4.2 Payment

(a) Invoices

The State will promptly pay the Grantee after the Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule:

On or after September 1, 2025 with a progress update

On or after March 1st, 2026 with a progress update

On or before June 30th, 2026 with final update

(b) Unexpended Funds

The Grantee must promptly return to the State any unexpended funds that have not been accounted for annually in a financial report to the State due at grant closeout.

4.3 Contracting and Bidding Requirements

Per [Minn. Stat. §471.345](#), grantees that are municipalities as defined in Subd. 1 must follow the law.

(a) For projects that include construction work of \$25,000 or more, prevailing wage rules apply per [Minn. Stat. §§177.41](#) through [177.44](#). These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.

(b) The grantee must not contract with vendors who are suspended or debarred in MN:

<https://mn.gov/admin/osp/government/suspended-debarred/index2.jsp>

5 Conditions of Payment

All services provided by the Grantee under this grant contract agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

6 Authorized Representative

The State's Authorized Representative is Madisson Masucci; 500 Lafayette Road, St. Paul MN, madisson.masucci@state.mn.us; 651-425-9196, or their successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative is Angie Hassett, Financial Analyst, 411 West First Street, Duluth MN 55802, 218-730-5053 ahassett@duluthmn.gov. If the Grantee's Authorized Representative changes at any time during this grant contract agreement, the Grantee must immediately notify the State.

7 Assignment Amendments, Waiver, and Grant Contract Agreement Complete

7.1 Assignment

The Grantee shall neither assign nor transfer any rights or obligations under this grant contract agreement without the prior written consent of the State, approved by the same parties who executed and approved this grant contract agreement, or their successors in office.

7.2 Amendments

Any amendments to this grant contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract, or their successors in office.

7.3 Waiver

If the State fails to enforce any provision of this grant contract, that failure does not waive the provision or the State's right to enforce it.

7.4 Grant Contract Complete

This grant contract contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant contract, whether written or oral, may be used to bind either party.

8 Liability

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract.

9 State Audits

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant contract agreement or transaction are subject to examination by the Commissioner of Administration, by the State granting agency and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later

10 Government Data Practices and Intellectual Property Rights

10.1 Government Data Practices

The Grantee and State must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by the State under this grant contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant contract. The civil remedies of [Minn. Stat. §13.08](#) apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

10.2 Intellectual Property Rights

The State owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents created and paid for under this contract. If intellectual property rights are identified, the grantee must contact the DNR immediately.

11 Workers Compensation

The Grantee certifies that it is in compliance with [Minn. Stat. §176.181](#), Subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

12 Publicity and Endorsement

12.1 Publicity

Any publicity regarding the subject matter of this grant contract must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract. All projects primarily funded by state grant appropriations must publicly credit the State of

Minnesota, including on the grantee's website when practicable.

12.2 *Endorsement*

The Grantee must not claim that the State endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract agreement.

Venue for all legal proceedings out of this grant contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14 Termination

14.1 *Termination by the State*

14.1 (a) Without Cause

The State may terminate this grant contract agreement without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

14.1 (b) With Cause

The State may immediately terminate this grant contract agreement if the State finds that there has been a failure to comply with the provisions of this grant contract, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.2 *Termination by The Commissioner of Administration*

The Commissioner of Administration may immediately and unilaterally cancel this grant contract agreement if further performance under the agreement would not serve agency purposes or is not in the best interest of the State.

14.3 *Termination for Insufficient Funding*

The State may immediately terminate this grant contract agreement if:

(a) It does not obtain funding from the Minnesota Legislature

(b) Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the grant contract agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

15 Data Disclosure

Under [Minn. Stat. § 270C.65](#), Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. § 16A.15

Signed: _____

Date: _____

SWIFT Contract/PO No(s). _____

2. GRANTEE

The Grantee certifies that the appropriate person(s) have executed the grant contract on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

3. STATE AGENCY

By: _____

(with delegated authority)

Title: _____

Date: _____

Distribution:

Agency

Grantee

State's Authorized Representative