

Dassel, MN

Special City Council Meeting

Tuesday, April 15, 2025 at 6:00 pm

1. Call to Order

a. Roll Call

Council members Gaertner, Landrus, Suchy, Thurn & Mayor Lalone

2. Business Items

a. 2024 Library Construction Grant Opportunity

Attachments:

- **City Council Meeting Minutes Regarding Library Expansion Options** (March_18_2024_City_Council_Minutes_-_Library_Expansion_Options.pdf)
- **Library Construction Grant Application** (May_16_2024_MN_Dept_of_Education_-_Library_Construction_Grant_Application.pdf)
- **Library Grant Agreement Documents** (Sept_27_2024_Library_Grant_Agreement_Documents.pdf)

3. Adjourn

The agenda packet with all background material is located at the side table for viewing by the public. The agenda is subject to change without notice. Information and materials relating to the above items are available for review at city hall by appointment.

CITY COUNCIL MEETING

March 18, 2024

Library Expansion Options Discussed

Dassel, MN
Regular City Council Meeting
Minutes
Monday, March 18, 2024 at 7:00 pm

1. Call to Order

Minutes:

Meeting called to order Mayor Lalone at 7:00 pm.

a. Pledge of Allegiance

Minutes:

Pledge led by Mayor Lalone.

b. Roll Call

Minutes:

Council members present: Gaertner, Landrus, Sombke, Thurn and Mayor Lalone

Council member absent: none

2. Approval of Minutes, February 20, 2024 Special & Regular, March 7, 2024 Special & EDA meetings

Minutes:

Motion by Landrus, seconded by Thurn to approve the minutes as presented. Motion carried.

Vote results:

Ayes: 5 / Nays: 0

3. Public Hearing(s)

4. Open Forum

a. Nick Corbin, Planning Commission member

Minutes:

Planning commission member, Nick Corbin stated the commission had worked very hard on the Comprehensive Plan, held public input sessions but received very little input from residents. He asked that Council respect the committee and their recommendations.

b. Dan Pelletier, Cassia Administrator

Minutes:

Cassia Administrator, Dan Pelletier provided an update on their patio fundraiser project. He stated they had reached their goal and exceeded it by \$10,000. He thanked the community for their generosity so construction on the project can begin this spring.

c. Abbey Lang, DC Community Ed Annual Report presentation

Minutes:

Abbey Lang reviewed the programs and activities that were provided by Community Education during the 2022-2023 year. She thanked the History Center for their help with the anniversary celebration and the City for their partnership.

5. Additions or Omissions to Agenda

Minutes:

Move Consent agenda item 6b to Staff Reports, City Engineer 8e; add Consent agenda item 6e Lions Club Raffle permit; and add Consent agenda item 6d resignation of Al Sexton from the Heritage Preservation Commission.

Motion by Lalone, seconded by Thurn to approve the agenda with above changes. Motion carried.

Vote results:

Ayes: 5 / Nays: 0

6. Consent Agenda

Minutes:

Motion by Sombke, seconded by Gaertner to approve consent agenda items a-e as presented.

Motion carried.

Vote results:

Ayes: 5 / Nays: 0

- a. **Payment of Claims \$263,862.15**
- b. **Motion to approve Wine/Strong Beer license application for Cokato Dassel Lions at Saints Field for the 2024 summer season pending the receipt of all required paperwork.**
- c. **Motion to pay final pay request, Landwehr Construction, Safe Routes to School Project \$26,543.55**
- d. **Accept Al Sexton's resignation from the Heritage Preservation Commission effective immediately.**
- e. **Motion to approve raffle permit for Cokato Dassel Lions Club**

7. Council & Committee Reports

a. Planning & Zoning Commission rezoning recommendation

Minutes:

Motion by Gaertner, seconded by Sombke to adopt Ordinance No. 01-2024 Amending Chapter 153 to rezone 811 Parker Ave W from R-2 to C-2. Motion carried unanimously.

Vote results:

Ayes: 5 / Nays: 0

b. Council member Sombke - Library expansion options

Minutes:

Council member Sombke presented the preliminary library expansion options from the library committee. Options include building a new building and renovating city hall. The third option had been to purchase the vacant building at 430 3rd St but it was recently sold.

8. Staff Reports

a. Museum Director

Minutes:

Museum Director Holje reported current exhibits include: From Dassel to Hollywood; Hildred Gets Her Star; James Stewart exhibit; and the Story of Footlockers. Upcoming exhibits include: Grammy winner Dassel HS grad – Jon Pankake; upgrading the Ergot Exhibit; and What's in the Name Dassel.

The Crucible play will be March 15-17 and March 22-24.

A \$1,500 donation was received for an intern.

b. Liquor Store Manager

Minutes:

Manager Vetsch reported that he is still seeing a softness in sales. Vetsch is concerned about not offering THC products in the store as additional revenue, they have taken off stronger than expected. He would like the Cannabis Committee to meet and review the ordinance to consider changes to allow sale of THC products.

c. Fire Chief

Minutes:

Chief Johnson reported there were 15 calls for the month and 75 calls year to date. The department is following the DNR restrictions related to burning, campfires, etc.

d. Public Works Director

Minutes:

Moy reported public works will begin street sweeping week of March 18. Pothole patching and hydrant flushing will begin after that. The sewer pond levels are very low. Siding will be replaced on the 5th St and main lift stations this year. The bathroom will be repaired at Sellards Park this spring.

e. City Engineer

Minutes:

Engineer Dewolf stated there is solar grant out called Minnesota Solar to put solar on public buildings that can fund up to 70% of the installation and there is a federal tax credits that can cover the remaining 30%. After some discussion it was decided to not move forward with the grant application.

Motion by Sombke, seconded by Landrus to approve the cooperative agreement with MNDOT as presented with a cost of \$15,228.00 to the city for the project. Motion carried.

Vote results:

Ayes: 5 / Nays: 0

f. City Clerk / Treasurer

Minutes:

Clerk Boese the upcoming meetings and events.

Motion by Lalone, seconded by Landrus to approve the Return-to-Work Program through League of MN Cities and Corvel MN Certified Managed Care Services and to notify employees of the change in process for work comp claims. Motion carried.

Motion by Gaertner, seconded by Lalone to approve the 2024 Community Ed Joint Powers funding as presented with the 2% increase. Motion carried.

Motion by Landrus, seconded by Gaertner to amend the 2024 Fire Fund budget as presented. Motion carried.

Motion by Gaertner, seconded by Thurn to approve the 2025 Fire Fund budget and

contracts as recommended by the Fire Advisory Board. Motion carried.

Vote results:

Ayes: 5 / Nays: 0

g. City Attorney

Minutes:

City Attorney Greenley clarified last month's minutes regarding the Opioid Settlement. Dassel does not qualify as a city that would receive direct distribution from the bankruptcy court, however if there is an Opioid claim that the city can apply for funds through the county.

He reviewed the updated language on the ProWorks lease which includes Cannabis language and provides restrictions on certain sales and promotion activities by the tenant. The Cannabis Committee has had two meetings. They reviewed maps with 3 different distances from schools, daycares and parks and recommend that 300 feet be the distance that is adopted.

h. Sheriff's Department

Minutes:

Deputy Bonnick reported there were 56 calls for service in the month of February.

9. Business Items

10. Adjourn

Minutes:

Motion by Landrus, seconded by Gaertner to adjourn the meeting at 9:07 pm. Motion carried.

Vote results:

Ayes: 5 / Nays: 0



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Dassel City Hall – Library Expansion Options

Project Number: 0W1.129566

OPTION 1 – City Hall Renovation

Below is an outline detailing the proposed work to expand the library within the existing Dassel City Hall building. The scope encompasses the following:

1. **Library Expansion:** Increase the library size to 2,600 square feet by utilizing space in the existing council chambers area.
2. **Finishes Installation:** Implement new finishes, including carpeting, ceiling tiles, and light fixtures.
3. **Bathroom Construction:** Build two new single-occupancy ADA-compliant bathrooms.
4. **Storage Solutions:** Provide ample storage options for both City and Library staff.
5. **Structural Modifications:** Modify existing load-bearing walls as necessary for renovation.

Total Estimated Project Cost: \$ 300,000

OPTION 2 – Bank Renovation

The following is a summary of observations made during the walkthrough of the bank building at 416 3rd St N, Dassel, MN. The information presented is intended to guide the decision-making process regarding the feasibility of transforming the space into the new location for the Dassel Public Library. The key takeaways from the assessment are summarized below:

1. **Library Spatial Requirements:** The northern portion of the building, separated by a large structural wall, offers approximately 3000 sq. ft. of usable space, meeting the spatial requirements for the library. The southern area provides around 1080 sq. ft. of rentable space. The bathrooms would need to serve both areas.
2. **Interior Finishes:** The space appears to be move-in ready requiring minimal renovations assuming the existing finishes (paint, carpet, etc.) are deemed acceptable.
3. **Bathroom Modifications:** The building has two single occupancy bathrooms that can be remodeled to meet ADA compliance.
4. **Potential Asbestos Remediation:** An asbestos notification sign was identified during the walkthrough, indicating potential asbestos-containing materials. An asbestos survey is recommended to determine the extent of its presence, influencing the level and cost of required remediation.
5. **Potential Mold Remediation:** The presence of mold is suspected, particularly in a small room within the northern vault. A more thorough inspection for mold is advised, and if present, remediation may involve carpet and drywall removal.

6. **Roof Assessment:** The roof appeared to be in good condition.
7. **Air Handler Unit:** The rooftop air handler unit, likely installed around the year 2000, appears to be in good working order but may be approaching the end of its useful life. It is anticipated that the unit will need to be replaced within the next 5 years.
Anticipated expense – approx. \$50k (not included in total estimated project cost)

Total Estimated Project Cost: \$ 100,000 (plus building cost \$299,000)

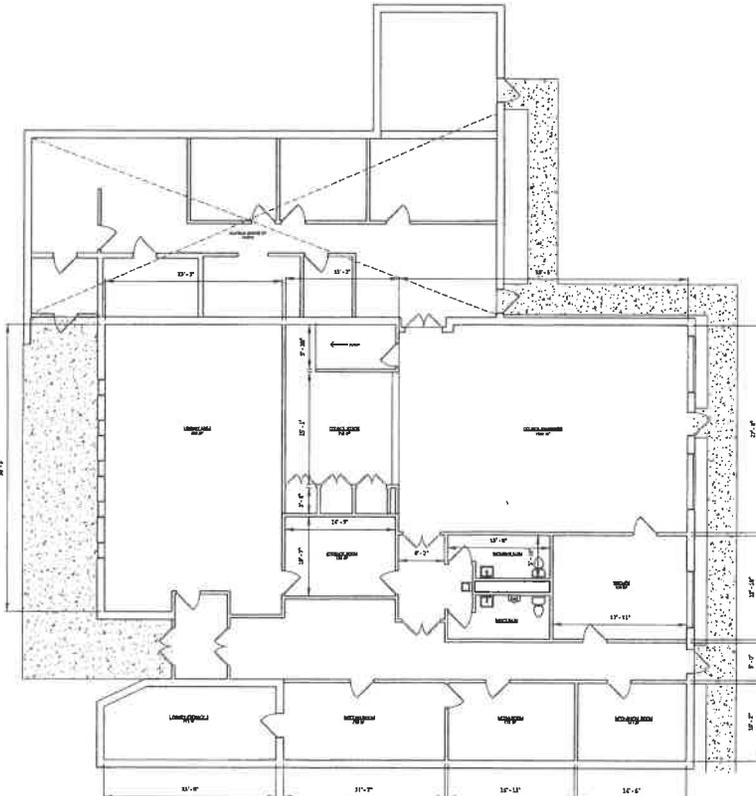
OPTION 3 – New Construction

Construct a new 3,000 square foot commercial building for the library.

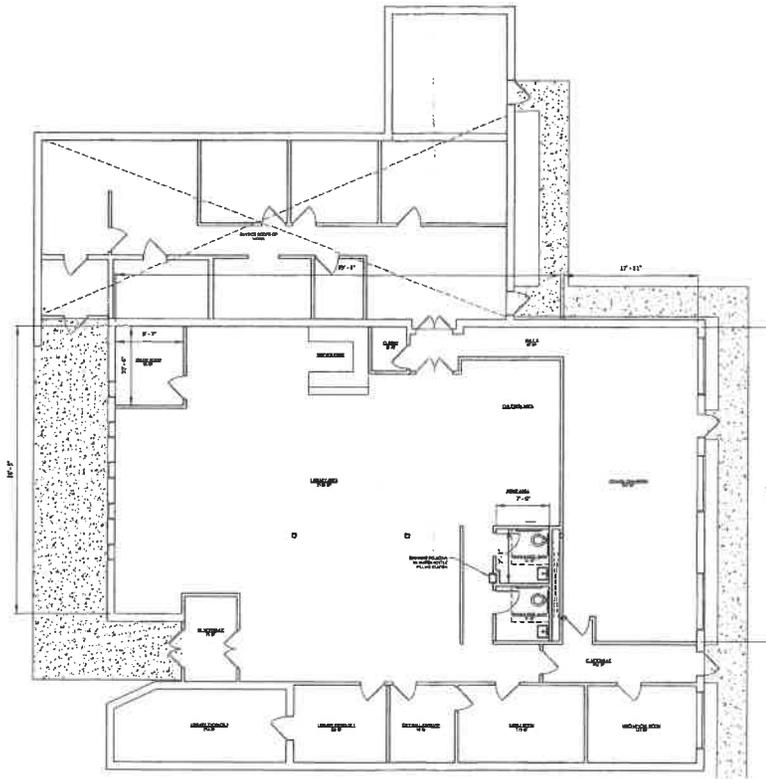
Total Estimated Project Cost: \$ 1,050,000

WALL LEGEND

-  EXISTING WALLS
-  NEW WALLS



1 EXISTING LIBRARY AREA LAYOUT
1/8" = 1'-0"



2 PROPOSED LIBRARY AREA LAYOUT
1/8" = 1'-0"



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NO.	REVISION	DATE
01	MDH	
02	MDH	
03	JCG	
04	DMV	12/28/22

Bolton & Menk
 DASSEL CITY HALL
 LIBRARY EXPANSION LAYOUT

SHEET
S1.01

GRANT APPLICATION

May 16, 2024



Library Construction Grant Opportunity – Improvement Grant FY25

Application Coversheet

Organization Information and Grant Information

Applicant Name: City of Dassel, Minnesota

Applicant Address: 460 3rd Street

Applicant City, State and Zip + 4: Dassel, MN 55325 -0391

Minnesota SWIFT Supplier ID: VN0000201457_2

Total Grant Amount Requested: \$187,500

Total Proposed Project Cost: \$375,000

Building and Site Ownership

Check the box if the city or county has title to the site and building where the library is located or will be located, or will have title before the End Grant Agreement would be executed.

Site Name: Dassel City Hall/Public Library

Building Address: 460 3rd Street

Building City, State and Zip + 4: Dassel, MN 55325 - 0391

Predesign Submission:

1. Is the total project cost over \$1,500,000?
 - Yes – proceed to question 2
 - No – end of section, continue to [Contact Information](#)
2. If you answered yes to question 1, did you send predesign forms to the Department of Administration?
 - Yes – proceed to question 3
 - No – end application, the Department of Administration’s approval is necessary to proceed
3. If you answered yes to question 2, enter the date you submitted the forms to the Department of Administration:

4. Did you receive approval or have 10 days elapsed since you submitted?

Yes – please submit approval if received from the Department of Administration

No – if the Department of Administration did not approve your project, end application

Contact Information

First Identified Official with Authority (IOwA) to Sign

First IOwA Name: Terri Boese

First IOwA Title: City Clerk/Treasurer

First IOwA Address: PO Box 391

First IOwA City, State and Zip + 4: Dassel, MN 55325-0391

First IOwA Phone: 320-275-2677

First IOwA Email: terri.boese@dassel.com

Second Identified Official with Authority (IOwA) to Sign

Second IOwA Name: Bob Lalone

Second IOwA Title: Mayor

Second IOwA Address: PO Box 391

Second IOwA City, State and Zip + 4: Dassel, MN 55325

Second IOwA Phone: 320-275-2454

Second IOwA Email: bob.lalone@dassel.com

Applicant Project Manager Contact Information:

Project Manager Name: Chuck DeWolf, P.E.

Project Manager Title: Project Manager

Project Manager Address: 2040 Highway 12

Project Manager City, State and Zip + 4: Willmar, MN 56201- 5818

Project Manager Phone: 320-212-2846

Project Manager Email: chuck.dewolf@bolton-menk.com

Business Manager Contact Information

Business Manager Name: Terri Boese

Business Manager Title: City Clerk/Treasurer

Business Manager Address: PO Box 391

Business Manager City, State and Zip + 4: Dassel, MN 55325-0391

Business Manager Phone number: 320-275-2677

Business Manager Email: terri.boese@dassel.com

Signature Section

First Identified Official with Authority (IOwA) Signature

I certify I have read all components of the application for the FY25 Library Construction Grant Opportunity and will comply with assurances and all those in the sample End Grant Agreement included in the instructions and other federal, state and local laws and regulations applicable to my organization.

First IOwA Name: Terri Boese

First IOwA Signature Date: 5/16/2024

Signature: Terri Boese

Second Identified Official with Authority (IOwA) Signature

I certify I have read all components of the application for the FY25 Library Construction Grant Opportunity and will comply with assurances and all those in the sample End Grant Agreement included in the instructions and other federal, state and local laws and regulations applicable to my organization.

Second IOwA Name: Bob Lalone

Second IOwA Signature Date: 5/16/2024

Signature: [Handwritten Signature]

Completed applications must be sent to mde.compgrants@state.mn.us by **May 17, 2024, by 5 p.m. Central Time**. Please refer to the Instruction Document for additional details regarding application submission.

Assurances

Applicants awarded grants must comply with the following program-specific assurances.

1. The grantee owns the library building to be constructed, expanded, or renovated and the site on which it is located and has unconditional use of the building and site. If the applicant will lease property which it intends to improve with a state grant, approval by Minnesota Management and Budget of the lease agreement between the applicant and property owner must be included in the grant agreement.
2. The local share of the cost of the project will be not less than 50% of the total construction cost of the project and will be paid for with non-state funds. Availability of matching funds will be documented as part of the End Grant Agreement process. Eligible matching funds include cash, non-state governmental appropriation, negotiable and nonnegotiable securities, bonds sold or validated. State funds may not be used as matching funds. All funds, including local matching and donated funds, must be administered by the grant recipient.
3. All facilities receiving Library Construction Grant funds will comply with Minnesota Statutes relating to accessibility by persons with disabilities, the Americans with Disabilities Act of 1990, amendments to the act, and the Americans with Disability Act Architectural Guidelines in effect at the time of construction.
4. The library is in compliance with [Minnesota Statutes 2023, section 134.50\(a\)](#), which states that all public library computers with Internet access restrict access to material that is reasonably believed to be obscene, child pornography, or is otherwise harmful to minors under federal or state law. This restriction may be accomplished using software filtering technology or other effective methods.
5. Grantees must ensure they have a conflict of interest policy in place and adhere to that policy throughout the grant period.
6. The Minnesota Department of Education will not reimburse any costs incurred prior to execution of the End Grant Agreement.
7. Grantees must ensure projects comply with [B3 Guidelines](#), which are required for all projects that receive general obligation bond funding from the State of Minnesota.
8. The grantee may advertise for bids or execute construction contracts upon receipt of an award letter. However, the grantee understands that availability of funds is contingent upon completion of a fully executed End Grant Agreement.
9. The End Grant Agreement review and approval process, project initiation, and processing of final documentation will proceed according to a mutually agreed upon timeline. Grantees must meet all deadlines established by MDE.
10. Any revisions or modifications to the grant application that are requested by the state to complete the End Grant Agreement are binding and will be treated as if they were part of the original grant application.



Library Construction Grant Opportunity – Improvement Grant – FY25

Applicant Name: City of Dassel, Minnesota

Improvement Grant Application Narrative

For each narrative section, please respond to each numbered question or request for information. To help reviewers track your project, please indicate whether your project is an **Improvement** or Accessibility Project, when asked.

Project Summary – Required, but not scored

In one sentence, please outline the goal of your proposed project.

Answer Here: The City of Dassel is intending to renovate the public library and the city hall chambers space with the goal of expanding the library.

Statement of Need – 30 Points Possible

Please answer each of the numbered questions for your type of grant.

1. Describe the need for this project. What individuals or organizations were involved in determining the need? What factors contributed to the determination of need?

Answer Here: According to the Dassel Friends of the Library, the current library facility was founded and built in the mid-1970's. And since then, the population has almost doubled for those utilizing this library facility.

The current library is small and in desperate need of renovation and expansion not only in terms of the amount of space for the library collections and technology resources but also for additional capacity for seating and gathering space. In addition to serving the city, this facility also draws residents of nearby counties that utilize this library.

During February 10 to March 9, 2020, the Friends of the Dassel Library, County Librarian Beth Cronk, and the Dassel Library Staff surveyed the Dassel community about the Dassel Public Library facility to determine public opinion about the current library space and community needs from a library facility. A total of 51 surveys were received and the most common theme for the respondents was the need for increased facility space to allow for the expansion of materials offered by the library as well as increased seating and facility space. The results of

this survey were utilized in the planning and development of a cost-effective solution. More specific details can be found in the Facility Survey Summary which was included with this application.

The Dassel Library is part of the Pioneerland Library System, and their recommendation supports the renovation plans “allowing the library to be successful in providing positive strategic service outcomes to the population it serves”.

The Friends of the Library are very supportive of these improvements and are willing to search for and apply for additional funding to support furnishings that will be needed following the renovation improvements to the library facility.

The renovation and improvement plans have been a collaboration of input from the public, the Pioneerland Library System, the Dassel Friends of the Library, Library Staff, and the City of Dassel. This improvement project is vital to the regional area and will provide an opportunity to better serve the community.

2. Describe how you used the [Building Access Survey](#) to identify the architectural barriers or limitations of the current building that determined the need to renovate and/or expand an existing library or to construct a new library building.

Answer Here: The Building Access Survey identified accessibility concerns regarding the current restrooms and drinking fountain in the building. The proposed library renovation plan includes installing two (qty. 2) ADA compliant restrooms and adding an accessible drinking fountain equipped with a water bottle filling station. Furthermore, all countertop heights will meet accessibility standards.

3. What sections of the survey did you use? What barriers were identified by the survey? Please identify and describe how library users and staff would benefit from the proposed project.

Answer Here: The sections referenced were: Toilet Room, Drinking Fountain, and Sales and Service Counters. The barriers identified included the existing non-ADA compliant restrooms and non-compliant drinking fountain. Making the space accessible ensures users, regardless of ability, can fully participate in the library's activities. It promotes inclusivity, enriching the experiences of all patrons and strengthening community bonds. For staff, it means serving patrons with diverse needs, fostering pride and fulfillment. Ultimately, prioritizing accessibility reinforces the library's role as an inclusive community hub.

Project Design, Suitability, Budget and Timeline – 30 Points Possible

Please address the questions listed and provide any requested information based on the type of grant for which you are applying.

1. Will the proposed project (a) renovate and/or expand an existing library or (b) build a new library?

Answer Here: The proposed project will renovate and expand an existing library.

2. Describe the proposed improvement(s) or new building. Please provide an in-depth description of the proposed library lay out, dimensions, and any special features.

Answer Here: The proposed improvements will expand the library's total area from 890 square feet to 2,200 square feet. The renovation plans include a 95-square-foot study room and a 200-square-foot children's area. Additionally, the project will involve demolishing two (qty. 2) non-ADA compliant bathrooms and replacing them with two single-occupant ADA compliant restrooms. The renovation will also provide additional storage areas for the staff and the installation of a new ADA compliant drinking fountain with a water bottle filling station.

3. Describe how each element of the proposed project will address the barriers/limitations identified in the statement of need and the Building Access Survey.

Answer Here: The current Library main entrance meets ADA compliance standards. Adjacent to the main entrance, there is handicap accessible parking available on the street. The primary enhancement to address any barriers or limitations involves installing two (qty. 2) ADA compliant single-occupant restrooms, each equipped with diaper changing stations. Furthermore, a new ADA compliant drinking fountain with a water bottle filling station will be added. The project will provide for an additional accessible entrance and an increased number of designated parking stalls. Additionally, all countertop heights will be within accessible heights.

4. Describe the suitability and appropriateness of this project to improving the accessibility of library services in the community and to the identified audiences(s).

Answer Here: The library is a bustling center of activity for the local community, offering a variety of events tailored for both children and adults, including storytelling sessions, craft workshops, and book clubs. With plans to expand its square footage, the library aims to accommodate a larger audience, allowing more families, individuals, and community groups to participate comfortably. This renovation presents exciting opportunities for the library to host even more diverse events, fostering community connection and lifelong learning for all ages. Whether it's cultural celebrations, guest speaker series, or hands-on workshops, the expanded space will provide a welcoming environment for people to gather, learn, and engage with one another.

5. Describe how the proposed accessibility or other improvements (expansions/new construction/renovation etc.) will impact library staffing.

Answer Here: The expansion of space for the library will allow the staff to increase the resources available at the library and create dedicated spaces for study rooms and child activities. The project will also provide increased accessibility to the library. We do not anticipate any impact on current library staffing levels.

6. Provide an estimated timeline for all major project activities (start date, end date and major milestones).

Answer Here: Design (August 2024 – December 2024); Bid (January 2025); Construction (February 2025 – August 2025)

7. Describe the estimated costs for the project. Please identify the total project costs and clearly outline what budget items grant funds will be used for. Please remember to complete the Proposed Expenditure Plan in addition to providing this narrative.

Answer Here: The estimate for this improvement project includes \$65,000 for Architectural/Engineering Services and \$310,000 for the estimated construction costs.

The \$187,500 library construction grant will be used towards the construction costs.

8. Provide a drawing of the proposed project, including a floor plan with distances between equipment and furniture, and shelving, furniture, and equipment dimensions. Scale drawings are preferred but not required, with the exception of rest rooms which require a scaled sketch indicating distances and measurements of plumbing, fixtures, doorways, partitions, turn radius, etc. Please make sure the drawings are readable by reviewers.

Answer Here: The drawing of the proposed project is included in the grant application.

9. If the proposed project is a new building or a building addition, please attach a building site plan and label it as such. N/A

10. If an expansion or new building is proposed, complete the chart by providing the following information about current square footage and projected square footage when the project is completed.

	Public Areas	Staff Areas	Building Mechanicals	Total Square Footage
Current Square Footage				
Proposed Square Footage				

Collaboration and Partners – 10 Points Possible

Please respond to the following questions in your narrative:

1. What organizations or individuals collaborated in the determination of need and/or planning for this project?

Answer Here: Pioneerland Regional Library System and the Friends of the Library.

2. Did your organization discuss the project with representatives from public or private disability organizations? Please identify and highlight their contributions to your proposed project.

Answer Here: The current facility has one accessible entrance. The improvement project will provide for an additional accessible entrance and an increased number of designated parking stalls.

3. At least one identified Project Partner must write a letter that outlines their contribution to your project. Submit the letter(s) with your application.

Answer Here: The Pioneerland Library System is a Project Partner and is very supportive of the improvement project. They understand the expanded facility will help “achieve the highest level of positive service outcomes to the population served by this facility”. A Letter of Support from the Pioneerland Library System has been included in the application packet.

4. Additional Project Partners may submit letters that describe their contributions (financial or other). Please limit letters to those organizations that are essential to the success of your initiative.

Answer Here: The Dassel Friends of the Library will play a key role in conducting additional fundraising activities to support furniture, fixtures and equipment needed by the new space. They understand that this library grant funding will provide the essentials for the building renovation, but additional funds will be needed to furnish the newly expanded space. A Letter of Support from the Dassel Friends of the Library has been included in the application packet.

Long-term Feasibility – 20 Points Possible

Please respond to the following questions in your narrative:

1. Describe how the proposed project addresses long-term needs of the community and of the library.

Answer Here: The proposed project addresses long-term needs of the community and the library by allowing additional collection space, program space, and a study room. The library serves a larger and more diverse community than what the existing library space was created for, so a wider variety of materials needs to be on the shelves, now and in the future. Flexible space to hold small programs allows the library to continue to adapt to future needs and trends as well. More people work from home and occasionally need a place away from home to hold a one-on-one meeting, participate in a video meeting, or work in a quiet space. A study room allows space for a range of possibilities in the future.

2. Highlight design features that will provide flexibility to accommodate changing programs, services, or populations. Highlight any design features that support future expansion, if appropriate.

Answer Here: The planned expansion would be largely a flexible open space, where shelving, furniture, and other fixtures could be moved and changed as needs change in the future. While the library currently still needs DVD shelves and desktop computers, if that or other things change in the future, the open floorplan will allow for easy changes to the layout of the entire space, except the study room, the staff office, and the storage closet.

3. How will you collect and use feedback from the public about improvements to the library? How would you use that feedback to improve long-term usability of the building?

Answer Here: As mentioned earlier in the application, County Librarian Beth Cronk, Dassel Library staff, and the Dassel Friends of the Library conducted a public opinion survey to solicit feedback and ideas from the community about the library space. Because 76% of the respondents said that the library needs a larger collection, we plan to increase the amount of space for the collection. Because 75% indicated that the library needs more seating, we would allot space and acquire furniture to meet this need. Because 63% said the library needs study rooms, a study room has been incorporated into the plans. We would create a space in the library for Storytime because 59% of the respondents answered that this is a need. If the project moves ahead, library staff and the Friends of the Library will issue another survey to solicit public comments and suggestions about what they need and want from an expanded library space. As always, library staff will listen to individual comments that library users bring to staff. We would use this feedback to consider ideas and viewpoints that are different from the assumptions that staff members have about community needs and consider whether they would improve the long-term usability of the building.

Tax Burden – 10 Points Possible

Tax burden will be calculated by MDE according to the process described in the instructions.

Required Attachments

- Proposed Expenditure Plan – the spreadsheet with total estimated expenditures, grant amount requested and matching one-to-one funding amounts and sources
- Project Partner(s) Letter(s) – Minimum of one letter required
- A drawing of the proposed project. Please include the floor plan with distances between equipment and furniture, and shelving, furniture, and equipment dimensions. Scale drawings are preferred but not required, with the exception of rest rooms which require a scaled sketch indicating distances and measurements of plumbing, fixtures, partitions, turn radius, etc.
- If the proposed project is a new building or building addition, please attach a building site plan.

Application Submission

Applications must be received by **May 17, 2024, 5 p.m. Central Time** to be considered. Late applications will not be accepted. **We will not accept applications in hardcopy, via fax, through the SERVS system, or saved as Google docs.**

Include one copy of the signed application coversheet, assurances, and application narrative in one document (in PDF format) along with the Proposed Expenditure Plan spreadsheet (Excel), Project Partner Letter, a minimum of one drawing of the proposed project, and a building site plan, if the proposed project is a new building or a building addition, to mde.compgrants@state.mn.us with the subject line **Library construction app, then the name of your organization**. You should title all documents with the name of your organization, then the name of the document. Example: if ABC Regional Library were to submit an application, then the names of the application coversheet, assurances, and application narrative should be **ABC Regional Library Application**.

Costs associated with preparing the application must be borne by the applicant. The burden of proof of timely submission is on the applicant.



Administrative Office
410 Fifth Street SW
PO Box 327
Willmar, Minnesota 56201-0327

Fax: (320) 214-0187 Phone: (320) 235-6106

May 13, 2024

MDE Library Construction Grant Program Committee

Dear Grant Committee:

I am writing this letter to express Pioneerland Library System's enthusiastic support for the City of Dassel's application for a Minnesota Library Construction Grant.

Due to space limitations, the Dassel Library is currently unable to effectively provide the range of library services needed to achieve the highest level of positive service outcomes to the population served by this facility. Additional space is needed for collections, technology, programming, community gathering space, and early and lifelong learning areas. A professional space assessment also outlined the need for updates in access and handicap accessibility to the building and library space.

The expanded facility will more than double the size of the library's current space. Community members, library staff, Friends of the Library, Library board members and other stakeholders are very excited and supportive of an updated and expanded library for their community. A new facility will allow the library to be successful in providing positive strategic service outcomes to the population it serves.

Pioneerland Library System sees the Dassel Library as an integral part of library services in Meeker County, with a geographic location which draws residents of nearby counties to the Dassel community for services.

Pioneerland Library System strongly supports this application and urges the committee to take positive action on this request. Thank you for your consideration.

A handwritten signature in black ink that reads "Laurie Ortega". The signature is written in a cursive, flowing style.

Laurie Ortega, Executive Director
Pioneerland Library System

Date: May 15, 2024

From: Dassel Friends of the Library

This letter is from the Dassel Friends of the Library, an informal community group that does fundraising and advocates for the Dassel Library.

We have long supported the expansion of this small library branch, as our city of Dassel, along with the surrounding rural community, has almost doubled in population since this branch of the library was founded and built in the mid-1970s. Our materials circulation and attendance at library programs have also greatly increased. There are sometimes more people in our tiny library than the fire marshal recommends. As a small, volunteer group, we are willing to conduct a couple of fundraisers toward purchasing furnishings for an expanded library, especially for a badly needed children's section. If this remodeling project becomes a reality, a few of our members also plan to make presentations to local service clubs and foundations to solicit contributions toward the shelving, furniture, rugs and other furniture, fixtures and equipment needed by the new space. Our Friends group will also spearhead applying for small grants from local community foundations and our rural electric cooperative's Operation Roundup Fund.

In order to accommodate the larger number of people visiting the Dassel library, upgraded accessible restrooms and doors are needed, and we are hoping that these public health and safety needs can be aided by a state grant. Our branch library serves not only the city of Dassel, but a rural area that is more than double the population of the city itself. Thus it is a significant burden on our small city to try to remodel and furnish a larger space for the library and its many area patrons.

Thank you for your consideration.

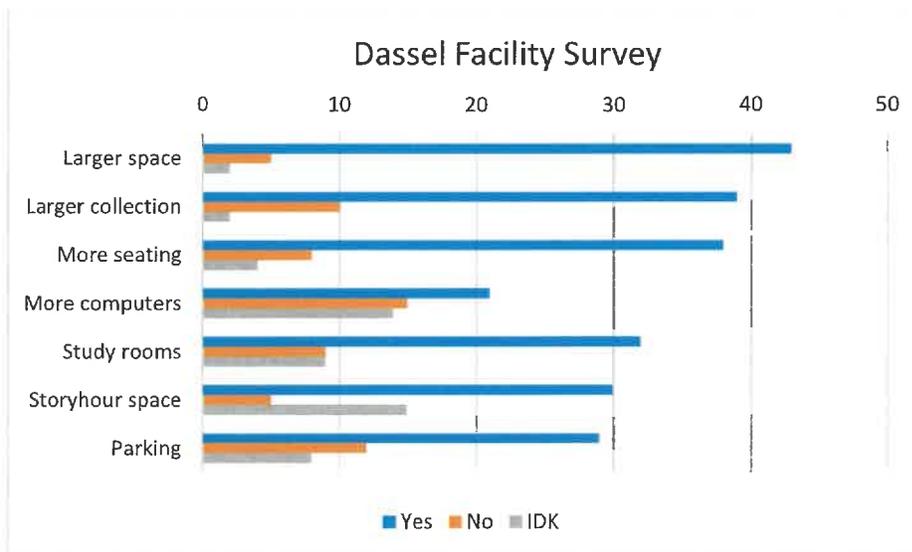
Dassel Friends of the Library

Dassel Public Library Facility Survey

Compiled by Beth Cronk, Meeker County Librarian

The Friends of the Dassel Library, County Librarian Beth Cronk, and the Dassel Library staff surveyed the Dassel community about the Dassel Public Library facility to determine public opinion about the current library space and community needs from a library facility.

From February 10 to March 9, 2020, Dassel Library users and Dassel-area residents were surveyed. A total of 51 surveys were completed. Paper surveys were distributed at the library, the Dassel History Center, and Garden Nook Tea & Gifts, and 19 of those were returned to the library. An electronic survey with the same questions was shared on the Dassel Library's website and Facebook page; 32 people answered it online. Respondents had the option of skipping any questions they chose.



The people who responded to the survey had the strongest opinion about the need for a larger space. 43 people, or 84% of the people who took the survey, said yes, the Dassel Library needs a larger space. Five people (10% of respondents) said no, it does not. Two people (4% of respondents) said they did not know. One person did not answer this question.

76% of the people who took the survey indicated that the Dassel Library needs a larger collection of materials to check out. 20% said that it does not, and 4% answered that they don't know.

When asked if the library needs more seating, 75% said yes, 16% said no, and 8% said they didn't know, with one person not answering the question.

The survey asked whether the library needs study rooms, defined as small rooms inside a library that the public could use for small meetings, studying, and doing work, with the possibility of having conversations and making phone calls. 63% percent of survey-takers said yes, 18% said no, and 18% said they didn't know; one person skipped this question.

When asked if the library needs more space for story hour, 59% said yes, 10% said no, and 29% said they don't know. One person did not answer this question.

57% of respondents said that the library needs more parking. 24% said it does not. 16% said they don't know, and 2 people did not answer the question.

The need for more computers was the most evenly divided topic. 41% of respondents said that the library needs more computers, 29% said it does not, 27% said they didn't know, and one person did not answer the question.

The most important improvement

The survey comments had some common themes. Almost all of the answers to the question about the most important improvement were about more space for the library:

- "Larger space, more books"
- "Move into vacant bank bldg. next door"
- "Increase space"
- "Great staff – need more space!"
- "This library needs to add a second-story to the building or get a larger building."
- "Move into the city room or move into empty facility."
- "SPACE, longer hours open"
- "More space more seating for all ages – maybe a bright rug for kids with fun plastic chairs, bean bags, etc."
- "Maybe a space where kids can be encouraged to enjoy their books with more volume, with an optional space for quiet-seekers. I really like the idea of study rooms. I work full time from home but might be likely to plan work time at the library if I know I could run a teleconference and not disrupt others."
- "Overall having a bigger spac [sic] The library is always clean and looks well kept. e [sic] would provide much for the needs of the community. Providing tables, study rooms a separate children's area would be beneficial for the community as a whole."
- "Space"
- "Total space"
- "Expanding it"
- "I think if the library was a tad bigger, we could have a space for little ones to read/color if their parent needed to get some books and or need to use the computer. This way others don't get interrupted. More computers (updated ones) would be beneficial as well. Will the hours ever change?"
- "Move to a different location"
- "Possibly a new building"
- "A larger building"
- "A larger footprint would be ideal. It gets quite tight looking for books especially for young children. More space would allow for a larger collection of materials."
- "Making sure that there is plenty of room for all of the activities for the little [sic] so they can promote the reading."
- "New Building"
- "Flexible space that could be used for a variety of events"
- "More independent spaces for gathering, reading, quiet work/study."

- “The bank next door would be perfect”

The answers given just once or twice to the question about the most important improvement mentioned furniture for children, more hours, and more children’s programs, or said that they were not sure.

Meeting community needs

Most of the answers about how the library space could better meet the community’s needs were also about more space:

- “Larger space and open until 7 p.m. a couple evenings”
- “Study/mtg spaces. More space for reading.”
- “More books”
- “If it was a bit bigger, I think people would want to stay and read instead of just stopping quick to check books out. And kids would LOVE having an area or nook just for them!”
- “Could make it more of a ‘destination’ with a fancy coffee station? (Self serve, but for purchase?) and big comfy couches, a fireplace...”
- “Having a separate space for story hour so other people can enjoy the library, look at books without disturbing story hour. Having study tables for students or anyone to spread out to do research, and even have study rooms for a quiet uninterrupted time.”
- “The building next door would be a great spot if money were not an issue!”
- “More space for community activities and events”
- “More space for materials and activities”
- “Story hour is very well attended it would be nice if story time & craft time could exist in one space and allow for more space for children and seating for accompanying adults.”
- “New Building”
- “The space is so small that there is no privacy. It always feels like we’re stepping over each other. And, any conversation is heard by everyone else.”
- “A few more ways to engage kids through STEM play, projects related to books, etc. Bigger libraries/budgets can obviously better meet these community wants but we’ve enjoyed spending full afternoons at some of these spaces as a family.”

A few people suggested longer hours, and individual comments said that needs would be met by having more computers with more time allowed on them, by more advertising, by more digital materials, and by more learning opportunities.

Additional comments

The survey ended with the question “Anything else you’d like to tell us?” Several answered it with comments related to the previous survey questions:

- “More seating especially for kids”
- “Need study rooms: No, but would be convenient”
- “Need more storyhour space: Use city hall space”
- “More seating: yes!”
- “Study rooms and storyhour space: Absolutely!”

- “Larger collection: You can order things bks/videos/media from all over the nation.”
- “We are extremely lucky to have a public library in our town and have access to unlimited items within our library branch and additional branches. It would be nice to have a much larger space to utilize this wonderful resource!”
- “Wouldn’t it be great if the library moved to the former Wells Fargo building and added a coffee shop with a drive thru? If the library was combined with a coffee shop the patrons would increase by a ton! What a showcase for our town.”
- “The dassel library is great. Having a larger space would facilitate awesome growth in our community. It could open new opportunities learning and community [sic]. The library is always clean and looks well kept.”

Others shared positive comments about the library in response to this question:

- “We love having this community service!”
- “I just come here for the wi-fi so it has what I need and it is comfortable. Thanks for asking!”
- “I am so glad to have a library in Dassel! Thank you.”
- “It work [sic] pretty good.”
- “A very welcoming space”
- “”Love” this library. Library staff are very helpful and go beyond their job to responsibilities all the time. Awesome place to be.”
- “Keep up the good work!”
- “I love that a small town like Dassel has a library with a nice variety of hours. I also love our movie selection. Well done!”
- “Love the Vessel [sic] library!”
- “We love the library as a community resource and we love the programs.”
- “Continue to do the story hour. My kids loves [sic] going there on days like that and talk about it for hours after they come home.”
- “Libraries are important”
- “The library staff is excellent. Friendly and helpful.”

Other comments suggested more supportive seating at the computers, more days that interlibrary loan delivery comes to the library, one day with hours until 7 or 8 p.m., and a drag queen story hour.

Conclusions

The survey results suggest there is a strong demand for a larger library in Dassel which could hold a larger collection, more seating, more workspaces, and more space for library programs. Survey respondents made extensive comments about the need for more space, including 11 comments specifically about moving into a different building, and four of them about moving into the Wells Fargo bank building next door.

The shelves are full. The book budget is generous for a library of its size, and circulation numbers and children’s program attendance numbers are high. To find room on the shelves for the new items that are in demand by library users, library staff must constantly withdraw items that haven’t been checked out in only the past year or two. It would be relatively easy to expand the collection if more space were available. It isn’t possible to add much more furniture to the current space without crowding. When

story hour is held in person, the families fill all of the main open area of the library after the furniture has been moved aside. In order to meet most of the needs indicated by the community members who took the survey, the library needs significantly more square footage.

Pioneerland libraries in order of city population with library square footage

<i>City</i>	<i>Population</i>	<i>Square footage</i>	<i>New library sq. ft.</i>
Lake Lillian	248	1700	
Maynard	313	1450	
Milan	429	1264	
Cosmos	512	2500	
Graceville	527	2804	
Grove City	630	800	
Brownnton	722	1385	
Raymond	794	1000	
Kerkhoven	814	533	
Bird Island	999	3000	
Hector	1012	2500	
Spicer	1103	5850	
Atwater	1114	1475	
Fairfax	1241	3098	
New London	1277	1500	
Renville	1292	4124	
Appleton	1367	2400	6900
Clara City	1389	4200	
Dawson	1454	8500	
Dassel	1462	1240	
Madison	1509	6300	
Canby	1695	3060	
Ortonville	2011	4700	
Winsted	2205	2500	
Olivia	2337	6000	
Granite Falls	2713	3025	
Benson	3379	6154	
Montevideo	5292	12200	
Glencoe	5710	11000	
Litchfield	6532	9652	
Hutchinson	14590	9000	
Willmar	21045	43793	

***Libraries in bold have similar levels of circulation and/or numbers of cardholders as Dassel**

Renee Eckerly

From: De Vera, Emma (She/Her/Hers) (MDE) <emma.devera@state.mn.us>
Sent: Friday, September 27, 2024 12:41 PM
To: De Vera, Emma (She/Her/Hers) (MDE)
Subject: 2024 Library Construction Grant Webinar + Materials
Attachments: blank grant agreement.docx; Source and use of funds.docx; 2024 Library Construction Grant Checklist.docx

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: IMPORTANT

Hello,

Congratulations on receiving a 2024 Library Construction Grant! Attached to this email you will find the grant agreement template, a source and use of funds sheet, and the construction grant recipient checklist. The first step in this process is completing the grant agreement. The source and use of funds sheet is the same table as in the agreement template, but it may be helpful to complete on a separate sheet. As you work through the grant agreement documents, please review the checklist for guidance. I am also available to answer any questions. All grant agreement communications can be sent to me, including grant agreement drafts.

I am hosting a webinar to walk through the library construction grant process and also to answer questions about the grant agreements. It is scheduled for Tuesday, October 15 at 12:00-1:00PM. The link is here: <https://www.zoomgov.com/j/1619145471?pwd=ncnDweSl2WwXFLBKhWzFyYENNe4YRd.1> You will also receive a calendar invite from me.

Please note that once your agreements are finalized and signed by all parties, recipients have 5 years from date of signature to complete construction on their project.

Let me know if you any questions in the meantime.

Thank you!

Emma De Vera (she/her)
State Library Programs Specialist
651-582-8702 | emma.devera@state.mn.us

Minnesota Department of Education
400 NE Stinson Blvd., Minneapolis, MN 55413
education.mn.gov





July 22, 2024

VIA ELECTRONIC DELIVERY ONLY

Terri Boese, City Clerk/Treasurer
City of Dassel
460 3rd Street
Dassel, MN 55325 -0391

RE: FY25 Library Construction Grant: Improvement Application

Dear Terri Boese,

Congratulations! We have selected your application submitted in response to the Library Construction Improvement Grant for funding contingent upon clarifications and negotiations that will be necessary before executing the award. The grant offer is \$187,500.00.

Library Construction Grants are end grants, meaning that the funds are paid in one lump sum after the project is complete and you submit a final report documenting total project costs, the expenditures and sources of matching funding, and other program requirements described in the application and end grant agreement.

Staff will be contacting you directly to discuss next steps in completing the end grant agreement. If you have any questions related to the process, please contact Emma De Vera, State Library Programs Specialist, at emma.devera@state.mn.us or (651) 582-8702.

Deb Rose, Grants Specialist, will be assisting with preparation of the end grant documentation. Her contact information is debra.rose@state.mn.us or (651) 582-8853. The grants specialist will also be conducting a Pre-Award Risk Assessment, which will require a review of financial documentation and prior grant performance before the execution of the grant documentation. The grants specialist will contact you if she needs any information to conduct that assessment.

We look forward to working with you in the future.

Sincerely,

Bette Benson
Grant Coordinator

cc: Bob Lalone, Mayor
Chuck DeWolf, P.E., Project Manager
Terri Boese, City Clerk/Treasurer
Emma De Vera, State Library Programs Specialist
Tami Lee, Director of State Library Services and Expanded Learning Opportunities
Deb Rose, Grant Specialist



2024 Library Construction Grant Documentation

Materials Needed to Prepare Your Grant Agreement

1. End Grant Agreement Template (Word)

Complete the sections highlighted in green on the end grant agreement template and return to SLS as a Word document. No need to sign yet.

2. “Sources & Uses of Funds” Section of Grant Agreement (Word)

This is included in the end grant agreement template. Please complete the entire worksheet.

3. Resolution or Ordinance

This should state at minimum (1) the city or county has title to the site and building where the library is or will be located; (2) the total project cost; and (3) the amount of grant funding being applied for or accepted. It must be signed by the chair of the city or county governing board.

4. Documentation of Full Project Funding

Documentation must be provided demonstrating that the applicant has funds on hand to cover the FULL cost of the project. This may include bank statements, line items in the local budget, evidence from a capital improvement plan, federal grant commitment letters, etc. Please see pages 12 – 14 of the *Capital Grants Manual* for more information.

5. B3 Registration

During this grant round, projects not involving construction of a new building qualify for B3 exemption. Complete the B3 applicability form to request this, and submit this form to Hannah as well as to the B3 contact listed on the form.

During this grant round, projects involving construction of a new building must contact Patrick Smith at 612-626-9709 or guidelines@b3mn.org to register to use the B3 tracking tool. You do not need to submit anything to SLS.

6. Legislative Notification or Recommendation

Projects with a total construction cost of **less than \$1,500,000** require legislative notification. Please notify the committee leaders listed in the table below. Provide Hannah a copy of this message.

Projects with a total construction cost of **\$1,500,000 or more** need to receive a legislative recommendation. Please submit a project summary and cost estimate to the committee leaders listed in the table below. You may use your grant application to provide this information. Provide SLS a copy of this message and any response you receive.

Name	Email	Committee	Position
Rep. Fue Lee	rep.fue.lee@house.mn.gov	House Capital Investment	Chair
Rep. Dean Urdahl	rep.dean.urdahl@house.mn.gov	House Capital Investment	Republican Lead
Rep. Liz Olson	rep.liz.olson@house.mn.gov	House Ways and Means	Chair
Rep. Pat Garofalo	rep.pat.garofalo@house.mn	House Ways and Means	Republican Lead
Sen. Sandra Pappas	sen.sandra.pappas@senate.mn	Senate Capital Investment	Chair
Sen. Karin Housley	sen.karin.housley@senate.mn	Senate Capital Investment	Ranking Minority Member
Sen. John Marty	sen.john.marty@senate.mn	Senate Finance Committee	Chair
Sen. Eric Pratt	sen.eric.pratt@senate.mn	Senate Finance Committee	Ranking Minority Member

Materials Needed to Request Payment

1. Cover Sheet

When you are ready to begin preparing your final report, please email Hannah to request this form.

2. All Project Invoices

Receipts and invoices will be reviewed to ensure the grant award does not exceed 50% of the total project cost.

3. Prevailing Wage Documentation

Contractors must submit evidence that all personnel associated with the grant-funded project were paid at or above prevailing wage. This can be done through payroll documentation (common for larger contractors) or through written statements (common for smaller businesses).

4. Relevant Inspection Approvals and/or Certificate of Occupancy

If the project involves a new building or a renovation that alters capacity, please submit a certificate of occupancy. If the project only affects a specific aspect of an existing building, then relevant inspection approvals will suffice.

For More Information

Examples of each form of documentation are available upon request. For further assistance with this process, please contact Emma De Vera at emma.devera@state.mn.us.

General Obligation Bond Proceeds

Grant Agreement - End Grant

for the

«NAME OF YOUR PROJECT»

Project

under the

Library Construction Grant Program

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General Obligation Bond Proceeds
Grant Agreement – End Grant
for the
«NAME OF YOUR PROJECT»
Project
under the
Library Construction Grant Program

THIS AGREEMENT shall be effective as of «STATE LIBRARY SERVICES», 2022, and is between «NAME OF GRANT RECIPIENT», a «LEGAL STRUCTURE OF RECIPIENT» (the “Public Entity”), and the Minnesota Department of Education (the “State Entity”).

RECITALS

A. The State Entity has created and is operating a Library Construction Grant Program (the “State Program”) under the authority granted by Minn. Stat. § 134.45 and all rules related to such legislation (the “State Program Enabling Legislation”).

B. Under the State Program, the State Entity is authorized to provide grants that are funded with proceeds of state general obligation bonds authorized to be issued under Article XI, § 5(a) of the Minnesota Constitution.

C. Under the State Program the recipients of a grant must use such funds to perform those functions delineated in the State Program Enabling Legislation.

D. The Public Entity submitted, if applicable, a grant application to the State Entity in which the Public Entity requests a grant from the State Program the proceeds of which will be used for the purposes delineated in such grant application.

E. The Public Entity has applied to and been selected by the State Entity for a receipt of a grant from the State Program in an amount of \$«AMOUNT OF GRANT» (the “Program Grant”), the proceeds must be used by the Public Entity to perform those functions and activities imposed by the State Entity under the State Program and, if applicable, delineated in that certain grant application (the “Grant Application”) attached hereto as **Attachment V** that the Public Entity submitted to the State Entity.

F. Under the provisions contained in Minnesota Statutes, Chapter 134, the Public Entity has been given the authority to perform those functions and activities required of it under the State Program and, if applicable, delineated in Grant Application attached hereto as **Attachment V** that the Public Entity submitted to the State Entity.

G. The Public Entity’s receipt and use of the Program Grant to acquire an ownership interest in and/or improve real property (the “Real Property”) and, if applicable, structures situated thereon (the “Facility”) will cause the Public Entity’s ownership interest in all of such real property

and structures to become “state bond financed property”, as such term is used in Minn. Stat. § 16A.695 (the “G.O. Compliance Legislation”) and in that certain “Fourth Order Amending Order of the Commissioner of Finance Relating to Use and Sale of State Bond Financed Property” executed by the Commissioner of Minnesota Management and Budget and dated July 30, 2012, as amended (the “Commissioner’s Order”), even though such funds may only be a portion of the funds being used to acquire such ownership interest and/or improve such real property and structures and that such funds may be used to only acquire such ownership interest and/or improve a part of such real property and structures.

H. The Public Entity and the State Entity desire to set forth herein the provisions relating to the granting and disbursement of the proceeds of the Program Grant to the Public Entity and the operation of the Real Property and, if applicable, Facility.

IN CONSIDERATION of the grant described and other provisions in this Agreement, the parties to this Agreement agree as follows.

Article I DEFINITIONS

Section 1.01 **Defined Terms.** As used in this Agreement, the following terms shall have the meanings set out respectively after each such term (the meanings to be equally applicable to both the singular and plural forms of the terms defined), unless the context specifically indicates otherwise:

“Agreement” - means this General Obligation Bond Proceeds Grant Agreement - End Grant for the **NAME OF YOUR PROJECT** Project under the Library Construction Grant Program, as such exists on its original date and any amendments, modifications or restatements thereof.

“Approved Debt” – means public or private debt of the Public Entity that is consented to and approved, in writing, by the Commissioner of MMB, the proceeds of which were or will be used to acquire an ownership interest in or improve the Real Property and, if applicable, Facility, other than the debt on the G.O. Bonds. Approved Debt includes, but is not limited to, all debt delineated in **Attachment III** to this Agreement; provided, however, the Commissioner of MMB is not bound by any amounts delineated in such attachment unless he/she has consented, in writing, to such amounts.

“Code” - means the Internal Revenue Code of 1986, as amended from time to time, and all treasury regulations, revenue procedures and revenue rulings issued pursuant thereto.

“Commissioner of MMB” - means the commissioner of Minnesota Management and Budget, and any designated representatives thereof.

“Commissioner’s Order” - means the “Fourth Order Amending Order of the Commissioner of Finance Relating to Use and Sale of State Bond Financed Property”

executed by the Commissioner of Minnesota Management and Budget and dated July 30, 2012, as amended.

“Counterparty” - means any entity with which the Public Entity contracts under a Use Contract. *This definition is only needed and only applies if the Public Entity enters into an agreement with another party under which such other party will operate the Real Property, and if applicable, Facility. For all other circumstances this definition is not needed and should be ignored and treated as if it were left blank, and any reference to this term in this Agreement shall be ignored and treated as if the reference did not exist.*

“Declaration” - means a declaration, or declarations, in the form contained in **Attachment I** to this Agreement and all amendments thereto, indicating that the Public Entity’s ownership interest in the Real Property and, if applicable, Facility is bond financed property within the meaning of the G.O. Compliance Legislation and is subject to certain restrictions imposed thereby.

“Event of Default” - means one or more of those events delineated in Section 2.07.

“Facility”, if applicable, - means «LIBRARY NAME», which is located, or will be constructed and located, on the Real Property and all equipment that is a part thereof that was purchased with the proceeds of the Program Grant.

“Fair Market Value” – means either (i) the price that would be paid by a willing and qualified buyer to a willing and qualified seller as determined by an appraisal that assumes that all liens and encumbrances on the property being sold that negatively affect the value of such property, will be paid and released, or (ii) the price bid by a purchaser under a public bid procedure after reasonable public notice, with the proviso that all liens and encumbrances on the property being sold that negatively affect the value of such property, will be paid and released at the time of acquisition by the purchaser.

“G.O. Bonds” - means that portion of the state general obligation bonds issued under the authority granted in Article XI, § 5(a) of the Minnesota Constitution the proceeds of which are used to fund the Program Grant and any bonds issued to refund or replace such bonds.

“G.O. Compliance Legislation” - means Minn. Stat. § 16A.695, as it may be amended, modified or replaced from time to time unless such amendment, modification or replacement imposes an unconstitutional impairment of a contract right.

“Grant Application” – means that certain grant application attached hereto as **Attachment IV** that the Public Entity submitted to the State Entity. *This definition is only needed and only applies if the Public Entity submitted a grant application to the State Entity. If the Public Entity did not submit a grant application to the State Entity, then this definition is not needed and should be ignored and treated as if it were left blank, and any reference to this term in this Agreement shall be ignored and treated as if the reference did not exist.*

“Initial Acquisition and Betterment Costs” – means the cost to acquire the Public Entity’s ownership interest in the Real Property and, if applicable, Facility if the Public Entity does not already possess the required ownership interest, and the costs of betterments of the Real Property and, if applicable, Facility; provided, however, the Commissioner of MMB is not bound by any specific amount of such alleged costs unless he/she has consented, in writing, to such amount.

“Leased/Easement Premises” - means the real estate and structures, if any, that are leased to the Public Entity under a Real Property/Facility Lease or granted to the Public Entity under an easement. *This definition is only needed and only applies if the Public Entity’s ownership interest in the Real Property, the Facility, if applicable, or both, is by way of a leasehold interest under a Real Property/Facility Lease or by way of an easement. For all other circumstances this definition is not needed and should be ignored and treated as if it were left blank, and any reference to this term in this Agreement shall be ignored and treated as if the reference did not exist.*

“Lessor/Grantor” – means the fee owner/lessor or grantor of the Leased/Easement Premises. *This definition is only needed and only applies if the Public Entity’s ownership interest in the Real Property, the Facility, if applicable, or both, is by way of a leasehold interest under a Real Property/Facility Lease or by way of an easement. For all other circumstances this definition is not needed and should be ignored and treated as if it were left blank, and any reference to this term in this Agreement shall be ignored and treated as if the reference did not exist.*

“Outstanding Balance of the Program Grant” – means the portion of the Program Grant that has been disbursed to or on behalf of the Public Entity minus any portion thereof previously paid back to the Commissioner of MMB.

“Ownership Value”, if any – means the value, if any, of the Public Entity’s ownership interest in the Real Property and, if applicable, Facility that existed concurrent with the Public Entity’s execution of this Agreement. Such value shall be established by way of an appraisal or by such other manner as may be acceptable to the State Entity and the Commissioner of MMB. The parties hereto agree and acknowledge that such value is **\$. OWNERSHIP VALUE or “NOT APPLICABLE”**; provided, however, the Commissioner of MMB is not bound by any inserted dollar amount unless he/she has consented, in writing, to such amount. If no dollar amount is inserted and the blank “Not Applicable” is not checked, a rebuttable presumption that the Ownership Value is \$0.00 shall be created. *(The blank “Not Applicable” should only be selected and checked when a portion of the funds delineated in Attachment III attached hereto are to be used to acquire the Public Entity’s ownership interest in the Real Property and, if applicable, Facility, and in such event the value of such ownership interest should be shown in Attachment III and not in this definition for Ownership Value).*

“Program Grant” - means a grant of monies from the State Entity to the Public Entity in the amount identified as the “Program Grant” in Recital E to this Agreement, as the amount thereof may be modified under the provisions contained herein.

“Project” – means the Public Entity’s acquisition, if applicable, of the ownership interests in the Real Property and, if applicable, Facility denoted in Section 2.02 along with the performance of the activities denoted in Section 2.03. *(If the Public Entity is not using any portion of the Program Grant to acquire the ownership interest denoted in Section 2.02, then this definition for Project shall not include the acquisition of such ownership interest, and the value of such ownership interest shall not be included in Attachment III hereto and instead shall be included in the definition for Ownership Value under this Section.)*

“Public Entity” - means the entity identified as the “Public Entity” in the lead-in paragraph of this Agreement.

“Real Property” - means the real property located in the County of **NAME OF COUNTY**, State of Minnesota, legally described in **Attachment II** to this Agreement.

“Real Property/Facility Lease” - means a long term lease of the Real Property, the Facility, if applicable, or both by the Public Entity as lessee thereunder. *This definition is only needed and only applies if the Public Entity’s ownership interest in the Real Property, the Facility, if applicable, or both, is a leasehold interest under a lease. For all other circumstances this definition is not needed and should be ignored and treated as if it were left blank, and any reference to this term in this Agreement shall be ignored and treated as if the reference did not exist.*

“State Entity” - means the entity identified as the “State Entity” in the lead-in paragraph of this Agreement.

“State Program” – means the program delineated in the State Program Enabling Legislation.

“State Program Enabling Legislation” – means the legislation contained in the Minnesota statute(s) delineated in Recital A and all rules related to such legislation.

“Subsequent Betterment Costs” – means the costs of betterments of the Real Property and, if applicable, Facility that occur subsequent to the date of this Agreement, are not part of the Project, would qualify as a public improvement of a capital nature (as such term in used in Minn. Constitution Art. XI, §5(a) of the Minnesota Constitution), and the cost of which has been established by way of written documentation that is acceptable to and approved, in writing, by the State Entity and the Commissioner of MMB.

“Use Contract” - means a lease, management contract or other similar contract between the Public Entity and any other entity that involves or relates to any part of the Real Property and/or, if applicable, Facility. *This definition is only needed and only applies if the Public Entity enters into an agreement with another party under which such other party will operate the Real Property, and/or if applicable, Facility. For all other circumstances this definition is not needed and should be ignored and treated as if it were left blank, and any*

reference to this term in this Agreement shall be ignored and treated as if the reference did not exist.

“Useful Life of the Real Property and, if applicable, Facility” – means the term set forth in Section 2.05.V, which was derived as follows: (i) 30 years for Real Property that has no structure situated thereon or if any structures situated thereon will be removed, and no new structures will be constructed thereon, (ii) the remaining useful life of the Facility as of the effective date of this Agreement for Facilities that are situated on the Real Property as of the date of this Agreement, that will remain on the Real Property, and that will not be bettered, or (iii) the useful life of the Facility after the completion of the construction or betterments for Facilities that are to be constructed or bettered.

Article II GRANT

Section 2.01 Grant of Monies. The State Entity shall make and issue the Program Grant to the Public Entity and disburse the proceeds in accordance with the provisions of this Agreement. The Program Grant is not intended to be a loan even though the portion thereof that is disbursed may need to be returned to the State Entity or the Commissioner of MMB under certain circumstances.

Section 2.02 Public Ownership. The Public Entity acknowledges and agrees that the Program Grant is being funded with the proceeds of G.O. Bonds, and as a result thereof all of the Real Property and, if applicable, Facility must be owned by one or more public entities. Such ownership may be in the form of fee ownership, a Real Property/Facility Lease, or an easement. In order to establish that this public ownership requirement is satisfied, the Public Entity represents and warrants to the State Entity that it has, or will acquire, the following ownership interests in the Real Property and, if applicable, Facility, and, in addition, that it possess, or will possess, all easements necessary for the operation, maintenance and management of the Real Property and, if applicable, Facility in the manner specified in Section 2.04:

[Check the appropriate box for the Real Property and, if applicable, for the Facility.]

Ownership Interest in the Real Property.

- Fee simple ownership of the Real Property.
- A Real Property/Facility Lease for the Real Property that complies with the requirements contained in Section 2.06.
(If the term of the Real Property/Facility Lease is for a term authorized by a Minnesota statute, rule or session law, then insert the citation: _____.)
- An easement for the Real Property that complies with the requirements

contained in Section 2.06.

(If the term of the easement is for a term authorized by a Minnesota statute, rule or session law, then provide the citation.)

Ownership Interest in, if applicable, the Facility.

- Fee simple ownership of the Facility.
- A Real Property/Facility Lease for the Facility that complies with all of the requirements contained in Section 2.06.
(If the term of the Real Property/Facility Lease is for a term authorized by a Minnesota statute, rule or session law, then provide the citation.)
- Not applicable because there is no Facility.

Section 2.03 Use of Grant Proceeds. The Public Entity shall use the Program Grant solely to reimburse itself for expenditures it has already made, or will make, in the performance of the following activities, and may not use the Program Grant for any other purpose.

(Check all appropriate boxes.)

- Acquisition of fee simple title to the Real Property.
- Acquisition of a leasehold interest in the Real Property.
- Acquisition of an easement for the Real Property.
- Improvement of the Real Property.
- Acquisition of fee simple title to the Facility.
- Acquisition of a leasehold interest in the Facility.
- Construction of the Facility.
- Renovation of the Facility.
- _____.
(Describe other or additional purposes.)

Section 2.04 Operation of the Real Property and Facility. The Real Property and, if applicable, Facility must be used by the Public Entity or the Public Entity must cause such Real Property and, if applicable, Facility to be used, for those purposes required by the State Program

and in accordance with the information contained in the Grant Application, or for such other purposes and uses as the Minnesota legislature may from time to time designate, and for no other purposes or uses.

The Public Entity may enter into Use Contracts with Counterparties for the operation of all or any portion of the Real Property and, if applicable, Facility; provided that all such Use Contracts must have been approved, in writing, by the Commissioner of MMB and fully comply with all of the provisions contained in Sections 3.01, 3.02 and 3.03.

The Public Entity must, whether it is operating the Real Property and, if applicable, Facility or has contracted with a Counterparty under a Use Contract to operate all or any portion of the Real Property and, if applicable, Facility, annually determine that the Real Property and, if applicable, Facility is being used for the purpose required by this Agreement, and shall annually supply a statement, sworn to before a notary public, to such effect to the State Entity and the Commissioner of MMB.

For those programs, if any, that the Public Entity will directly operate on all or any portion of the Real Property and, if applicable, Facility, the Public Entity covenants with and represents and warrants to the State Entity that: (i) it has the ability and a plan to fund such programs, (ii) it has demonstrated such ability by way of a plan that it submitted to the State Entity, and (iii) it will annually adopt, by resolution, a budget for the operation of such programs that clearly shows that forecast program revenues along with other funds available for the operation of such program will be equal to or greater than forecast program expenses for each fiscal year, and will supply to the State Entity and the Commissioner of MMB certified copies of such resolution and budget.

For those programs, if any, that will be operated on all or any portion of the Real Property and, if applicable, Facility by a Counterparty under a Use Contract, the Public Entity covenants with and represents and warrants to the State Entity that: (i) it will not enter into such Use Contract unless the Counterparty has demonstrated that it has the ability and a plan to fund such program, (ii) it will require the Counterparty to provide an initial program budget and annual program budgets that clearly show that forecast program revenues along with other funds available for the operation of such program (from all sources) will be equal to or greater than forecast program expenses for each fiscal year, (iii) it will promptly review all submitted program budgets to determine if such budget clearly and accurately shows that the forecast program revenues along with other funds available for the operation of such program (from all sources) will be equal to or greater than forecast program expenses for each fiscal year, (iv) it will reject any program budget that it believes does not accurately reflect forecast program revenues or expenses or does not show that forecast program revenues along with other funds available for the operation of such program (from all sources) will be equal to or greater than forecast program expenses, and require the Counterparty to prepare and submit a revised program budget, and (v) upon receipt of a program budget that it believes accurately reflects forecast program revenues and expenses and that shows that forecast program revenues along with other funds available for the operation of such program (from all sources) will be equal to or greater than forecast program expenses, it will approve such budget by resolution and supply to the State Entity and the Commissioner of MMB certified copies of such resolution and budget.

Section 2.05 **Public Entity Representations and Warranties.** The Public Entity further covenants with, and represents and warrants to the State Entity as follows:

A. It has legal authority to enter into, execute, and deliver this Agreement, the Declaration, and all documents referred to herein, and it has taken all actions necessary to its execution and delivery of such documents.

B. It has legal authority to use the Program Grant for the purpose or purposes described in the State Program Enabling Legislation.

C. It has legal authority to operate the State Program and the Real Property and, if applicable, Facility for the purposes required by the State Program and for the functions and activities proposed in the Grant Application.

D. This Agreement, the Declaration, and all other documents referred to herein are the legal, valid and binding obligations of the Public Entity enforceable against the Public Entity in accordance with their respective terms.

E. It will comply with all of the terms, conditions, provisions, covenants, requirements, and warranties in this Agreement, the Declaration, and all other documents referred to herein.

F. It will comply with all of the provisions and requirements contained in and imposed by the G.O. Compliance Legislation, the Commissioner's Order, and the State Program.

G. It has made no material false statement or misstatement of fact in connection with its receipt of the Program Grant, and all of the information it has submitted or will submit to the State Entity or Commissioner of MMB relating to the Program Grant or the disbursement of any of the Program Grant is and will be true and correct.

H. It is not in violation of any provisions of its charter or of the laws of the State of Minnesota, and there are no actions, suits, or proceedings pending, or to its knowledge threatened, before any judicial body or governmental authority against or affecting it relating to the Real Property and, if applicable, Facility, or its ownership interest therein, and it is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority which would impair its ability to enter into this Agreement, the Declaration, or any document referred to herein, or to perform any of the acts required of it in such documents.

I. Neither the execution and delivery of this Agreement, the Declaration, or any document referred to herein nor compliance with any of the terms, conditions, requirements, or provisions contained in any of such documents is prevented by, is a breach of, or will result in a breach of, any term, condition, or provision of any agreement or document to which it is now a party or by which it is bound.

J. The contemplated use of the Real Property and, if applicable, Facility will not violate any applicable zoning or use statute, ordinance, building code, rule or regulation, or any covenant or agreement of record relating thereto.

K. The Project has been or will be completed in full compliance with all applicable laws, statutes, rules, ordinances, and regulations issued by any federal, state, or local political subdivisions having jurisdiction over the Project.

L. All applicable licenses, permits and bonds required for the performance and completion of the Project have been, or will be, obtained.

M. All applicable licenses, permits and bonds required for the operation of the Real Property and, if applicable, Facility in the manner specified in Section 2.04 have been, or will be, obtained.

N. It will operate, maintain, and manage the Real Property and, if applicable, Facility or cause the Real Property and, if applicable, Facility, to be operated, maintained and managed in compliance with all applicable laws, statutes, rules, ordinances, and regulations issued by any federal, state, or local political subdivisions having jurisdiction over the Real Property and, if applicable, Facility.

O. It will fully enforce the terms and conditions contained in any Use Contract.

P. It has complied with the matching funds requirement, if any, contained in Section 7.23.

Q. It will not, without the prior written consent of the State Entity and the Commissioner of MMB, allow any voluntary lien or encumbrance or involuntary lien or encumbrance that can be satisfied by the payment of monies and which is not being actively contested to be created or exist against the Public Entity's ownership interest in the Real Property or, if applicable, Facility, or the Counterparty's interest in the Use Contract, whether such lien or encumbrance is superior or subordinate to the Declaration. Provided, however, the State Entity and the Commissioner of MMB will consent to any such lien or encumbrance that secures the repayment of a loan the repayment of which will not impair or burden the funds needed to operate the Real Property and, if applicable, Facility in the manner specified in Section 2.04, and for which the entire amount is used (i) to acquire additional real estate that is needed to so operate the Real Property and, if applicable, Facility in accordance with the requirements imposed under Section 2.04 and will be included in and as part of the Public Entity's ownership interest in the Real Property and, if applicable, Facility, and/or (ii) to pay for capital improvements that are needed to so operate the Real Property and, if applicable, Facility in accordance with the requirements imposed under Section 2.04.

R. It reasonably expects to possess the ownership interest in the Real Property and, if applicable, Facility described Section 2.02 for the entire Useful Life of the Real Property and, if applicable, Facility, and it does not expect to sell such ownership interest.

S. It does not reasonably expect to receive payments under a Use Contract in excess of the amount the Public Entity needs and is authorized to use to pay the operating expenses of the portion of the Real Property and, if applicable, Facility that is the subject of the Use Contract or to pay the principal, interest, redemption premiums, and other expenses on any Approved Debt.

T. It will supply, or cause to be supplied, whatever funds are needed above and beyond the amount of the Program Grant to complete and fully pay for the Project.

U. It has or will promptly record a fully executed Declaration with the appropriate governmental office and deliver a copy thereof to the State Entity and to Minnesota Management and Budget (attention: Capital Projects Manager) that contains all of the recording information.

V. The Useful Life of the Real Property and, if applicable, Facility is <<NUMBER>> years.

W. It shall furnish such satisfactory evidence regarding the representations and warranties described herein as may be required and requested by either the State Entity or the Commissioner of MMB.

Section 2.06 Ownership by Leasehold or Easement. *This Section shall only apply if the Public Entity's ownership interest in the Real Property, the Facility, if applicable, or both is by way of a Real Property/Facility Lease or an easement. For all other circumstances this Section is not needed and should be ignored and treated as if it were left blank, and any reference to this Section in this Agreement shall be ignored and treated as if the reference did not exist.*

A. A Real Property/Facility Lease or easement must comply with the following provisions.

1. It must be in form and contents acceptable to the Commissioner of MMB, and specifically state that it may not be modified, restated, amended, changed in any way, or prematurely terminated or cancelled without the prior written consent and authorization by the Commissioner of MMB.

2. It must be for a term that is equal to or greater than 125% of the Useful Life of the Real Property and, if applicable, Facility, or such other period of time specifically authorized by a Minnesota statute, rule or session law.

3. Any payments to be made under it by the Public Entity, whether designated as rent or in any other manner, must be by way of a single lump sum payment that is due and payable on the date that it is first made and entered into.

4. It must not contain any requirements or obligations of the Public Entity that if not complied with could result in a termination thereof.

5. It must contain a provision that provides sufficient authority to allow the Public Entity to operate the Real Property and, if applicable, Facility in accordance with the requirements imposed under Section 2.04.

6. It must not contain any provisions that would limit or impair the Public Entity's operation of the Real Property and, if applicable, Facility in accordance with the requirements imposed under Section 2.04.

7. It must contain a provision that prohibits the Lessor/Grantor from creating or allowing, without the prior written consent of the State Entity and the Commissioner of MMB, any voluntary lien or encumbrance or involuntary lien or encumbrance that can be satisfied by the payment of monies and which is not being actively contested against the Leased/Easement Premises or the Lessor's/Grantor's interest in the Real Property/Facility Lease or easement, whether such lien or encumbrance is superior or subordinate to the Declaration. Provided, however, the State Entity and the Commissioner of MMB will consent to any such lien or encumbrance if the holder of such lien or encumbrance executes and files of record a document under which such holder subordinates such lien or encumbrance to the Real Property/Facility Lease or easement and agrees that upon foreclosure of such lien or encumbrance to be bound by and comply with all of the terms, conditions and covenants contained in the Real Property/Facility Lease or easement as if such holder had been an original Lessor/Grantor under the Real Property/Facility Lease or easement.

8. It must acknowledge the existence of this Agreement and contain a provision that the terms, conditions and provisions contained in this Agreement shall control over any inconsistent or contrary terms, conditions and provisions contained in the Real Property/Facility Lease or easement.

9. It must provide that any use restrictions contained therein only apply as long as the Public Entity is the lessee under the Real Property/Facility Lease or grantee under the easement, and that such use restrictions will terminate and not apply to any successor lessee or grantee who purchases the Public Entity's ownership interest in the Real Property/Facility Lease or easement. Provided, however, it may contain a provisions that limits the construction of any new structures on the Real Property or modifications of any existing structures on the Real Property without the written consent of Lessor/Grantor, which will apply to any such successor lessee or grantee.

10. It must allow for a transfer thereof in the event that the lessee under the Real Property/Lease or grantee under the easement makes the necessary determination to sell its interest therein, and allow such interest to be transferred to the purchaser of such interest.

11. It must contain a provision that prohibits and prevents the sale of the underlying fee interest in the Real Property and, if applicable, Facility without first obtaining the written consent of the Commissioner of MMB.

12 The Public Entity must be the lessee under the Real Property/Lease or grantee under the easement.

B. The provisions contained in this Section are not intended to and shall not prevent the Public Entity from including additional provisions in the Real Property/Facility Lease or easement that are not inconsistent with or contrary to the requirements contained in this Section.

C. The expiration of the term of a Real Property/Facility Lease or easement shall not be an event that requires the Public Entity to reimburse the State Entity for any portion of the Program Grant, and upon such expiration the Public Entity's ownership interest in the Real Property and, if applicable, Facility shall no longer be subject to this Agreement.

D. The Public Entity shall fully and completely comply with all of the terms, conditions and provisions contained in a Real Property/Facility Lease or easement, and shall obtain and file, in the Office of the County Recorder or the Registrar of Titles, whichever is applicable, the Real Property/Facility Lease or easement or a short form or memorandum thereof.

Section 2.07 Event(s) of Default. The following events shall, unless waived in writing by the State Entity and the Commissioner of MMB, constitute an Event of Default under this Agreement upon either the State Entity or the Commissioner of MMB giving the Public Entity 30 days written notice of such event and the Public Entity's failure to cure such event during such 30 day time period for those Events of Default that can be cured within 30 days or within whatever time period is needed to cure those Events of Default that cannot be cured within 30 days as long as the Public Entity is using its best efforts to cure and is making reasonable progress in curing such Events of Default, however, in no event shall the time period to cure any Event of Default exceed 6 months unless otherwise consented to, in writing, by the State Entity and the Commissioner of MMB.

A. If any representation, covenant, or warranty made by the Public Entity in this Agreement, in any other document furnished pursuant to this Agreement, or in order to induce the State Entity to disburse any of the Program Grant, shall prove to have been untrue or incorrect in any material respect or materially misleading as of the time such representation, covenant, or warranty was made.

B. If the Public Entity fails to fully comply with any provision, term, condition, covenant, or warranty contained in this Agreement, the Declaration, or any other document referred to herein.

C. If the Public Entity fails to fully comply with any provision, term, condition, covenant, or warranty contained in the G.O. Compliance Legislation, the Commissioner's Order, or the State Program Enabling Legislation.

D. If the Public Entity fails to provide and expend the full amount of the matching funds, if any, required under Section 7.23 for the Project.

E. If the Public Entity fails to record the Declaration and deliver copies thereof as set forth in Section 2.05.U.

Notwithstanding the foregoing, any of the above delineated events that cannot be cured shall, unless waived in writing by the State Entity and the Commissioner of MMB, constitute an Event of Default under this Agreement immediately upon either the State Entity or the Commissioner of MMB giving the Public Entity written notice of such event.

Section 2.08 **Remedies.** Upon the occurrence of an Event of Default and at any time thereafter until such Event of Default is cured to the satisfaction of the State Entity, the State Entity or the Commissioner of MMB may enforce any or all of the following remedies.

A. The State Entity may refrain from disbursing the Program Grant; provided, however, the State Entity may make such disbursements after the occurrence of an Event of Default without thereby waiving its rights and remedies hereunder.

B. If the Event of Default involves a failure to comply with any of the provisions contained herein other than the provisions contained in Sections 4.01 or 4.02, then the Commissioner of MMB, as a third party beneficiary of this Agreement, may demand that the Outstanding Balance of the Program Grant be returned to it, and upon such demand the Public Entity shall return such amount to the Commissioner of MMB.

C. If the Event of Default involves a failure to comply with the provisions contained in Sections 4.01 or 4.02, then the Commissioner of MMB, as a third party beneficiary of this Agreement, may demand that the Public Entity pay the amounts that would have been paid if there had been full and complete compliance with such provisions, and upon such demand the Public Entity shall pay such amount to the Commissioner of MMB.

D. Either the State Entity or the Commissioner of MMB, as a third party beneficiary of this Agreement, may enforce any additional remedies they may have in law or equity.

The rights and remedies herein specified are cumulative and not exclusive of any rights or remedies that the State Entity or the Commissioner of MMB would otherwise possess.

If the Public Entity does not repay the amounts required to be paid under this Section or under any other provision contained in this Agreement within 30 days of demand by the Commissioner of MMB, or any amount ordered by a court of competent jurisdiction within 30 days of entry of judgment against the Public Entity and in favor of the State Entity and/or the Commissioner of MMB, then such amount may, unless precluded by law, be taken from or off-set against any aids or other monies that the Public Entity is entitled to receive from the State of Minnesota.

Section 2.09 Notification of Event of Default. The Public Entity shall furnish to the State Entity and the Commissioner of MMB, as soon as possible and in any event within 7 days after it has obtained knowledge of the occurrence of each Event of Default or each event which with the giving of notice or lapse of time or both would constitute an Event of Default, a statement setting forth details of each Event of Default or event which with the giving of notice or upon the lapse of time or both would constitute an Event of Default and the action which the Public Entity proposes to take with respect thereto.

Section 2.10 Survival of Event of Default. This Agreement shall survive any and all Events of Default and remain in full force and effect even upon the payment of any amounts due under this Agreement, and shall only terminate in accordance with the provisions contained in Section 2.12 and at the end of its term in accordance with the provisions contained in Section 2.11.

Section 2.11 Term of Grant Agreement. This Agreement shall, unless earlier terminated in accordance with any of the provisions contained herein, remain in full force and effect for the time period starting on the effective date hereof and ending on the date that corresponds to the date established by adding a time period equal to 125% of Useful Life of the Real Property and, if applicable, Facility to the date on which the Real Property and, if applicable, Facility is first used for the operation of the State Program after such effective date. If there are no uncured Events of Default as of such date this Agreement shall terminate and no longer be of any force or effect, and the Commissioner of MMB shall execute whatever documents are needed to release the Real Property and, if applicable, Facility from the effect of this Agreement and the Declaration.

Section 2.12 Modification and/or Early Termination of Grant. If the full amount of the Program Grant has not been disbursed on or before the date that is 5 years from the effective date of this Agreement, or such later date to which the Public Entity and the State Entity may agree in writing, then the State Entity's obligation to fund the Program Grant shall terminate. In such event, (i) if none of the Program Grant has been disbursed by such date then the State Entity's obligation to fund any portion of the Program Grant shall terminate and this Agreement shall terminate and no longer be of any force or effect, and (ii) if some but not all of the Program Grant has been disbursed by such date then the State Entity shall have no further obligation to provide any additional funding for the Program Grant and this Agreement shall remain in full force and effect but shall be modified and amended to reflect the amount of the Program Grant that was actually disbursed as of such date.

This Agreement shall also terminate and no longer be of any force or effect upon the Public Entity's sale of its ownership interest in the Real Property and, if applicable, Facility in accordance with the provisions contained in Section 4.01 and transmittal of all or a portion of the proceeds of such sale to the Commissioner of MMB in compliance with the provisions contained in Section 4.02, or upon the termination of Public Entity's ownership interest in the Real Property and, if applicable, Facility if such ownership interest is by way of an easement or under a Real Property/Facility Lease. Upon such termination the State Entity shall execute, or have executed, and deliver to the Public Entity such documents as are required to release the Public Entity's ownership interest in the Real Property and, if applicable, Facility, from the effect of this Agreement and the Declaration.

Section 2.13 **Excess Funds.** If the full amount of the Program Grant and any matching funds referred to in Section 7.23 are not needed to complete the Project, then, unless language in the State Program Enabling Legislation indicates otherwise, the Program Grant shall be reduced by the amount not needed.

Article III USE CONTRACTS

This Article III and its contents is only needed and only applies if the Public Entity enters into an agreement with another party under which such other party will operate any portion of the Real Property, and if applicable, Facility. For all other circumstances this Article III and its contents are not needed and should be ignored and treated as if it were left blank, and any reference to this Article III, its contents, and the term Use Contract in this Agreement shall be ignored and treated as if the references did not exist.

Section 3.01 **General Provisions.** If the Public Entity has statutory authority to enter into a Use Contract, then it may enter into Use Contracts for various portions of the Real Property and, if applicable, Facility; provided that each and every Use Contract that the Public Entity enters into must comply with the following requirements:

- A. The purpose for which it was entered into must be to operate the State Program in the Real Property and, if applicable, Facility.
- B. It must contain a provision setting forth the statutory authority under which the Public Entity is entering into such contract, and must comply with the substantive and procedural provisions of such statute.
- C. It must contain a provision stating that it is being entered into in order for the Counterparty to operate the State Program and must describe such program.
- D. It must contain a provision that will provide for oversight by the Public Entity. Such oversight may be accomplished by way of a provision that will require the Counterparty to provide to the Public Entity: (i) an initial program evaluation report for the first fiscal year that the Counterparty will operate the State Program, (ii) program budgets for each succeeding fiscal year showing that forecast program revenues and additional revenues available for the operation of the State Program (from all sources) by the Counterparty will equal or exceed expenses for such operation for each succeeding fiscal year, and (iii) a mechanism under which the Public Entity will annually determine that the Counterparty is using the portion of the Real Property and, if applicable, Facility that is the subject of the Use Contract to operate the State Program.
- E. It must allow for termination by the Public Entity in the event of a default thereunder by the Counterparty, or in the event that the State Program is terminated or changed in a manner that precludes the operation of such program in the portion of the Real Property and, if applicable, Facility that is the subject of the Use Contract.

F. It must terminate upon the termination of the statutory authority under which the Public Entity is operating the State Program.

G. It must require the Counterparty to pay all costs of operation and maintenance of that portion of the Real Property and, if applicable, Facility that is the subject of the Use Contract, unless the Public Entity is authorized by law to pay such costs and agrees to pay such costs.

H. If the Public Entity pays monies to a Counterparty under a Use Contract, such Use Contract must meet the requirements of Rev. Proc. 97-13, 1997-1 CB 632, so that such Use Contract does not result in “private business use” under Section 141(b) of the Code.

I. It must be approved, in writing, by the Commissioner of MMB, and any Use Contract that is not approved, in writing, by the Commissioner of MMB shall be null and void and of no force or effect.

J. It must contain a provision requiring that each and every party thereto shall, upon direction by the Commissioner of MMB, take such actions and furnish such documents to the Commissioner of MMB as the Commissioner of MMB determines to be necessary to ensure that the interest to be paid on the G.O. Bonds is exempt from federal income taxation.

K. It must contain a provision that prohibits the Counterparty from creating or allowing, without the prior written consent of the State Entity and the Commissioner of MMB, any voluntary lien or encumbrance or involuntary lien or encumbrance that can be satisfied by the payment of monies and which is not being actively contested against the Real Property or, if applicable, Facility, the Public Entity’s ownership interest in the Real Property or, if applicable, Facility, or the Counterparty’s interest in the Use Contract, whether such lien or encumbrance is superior or subordinate to the Declaration. Provided, however, the State Entity and the Commissioner of MMB will consent, in writing, to any such lien or encumbrance that secures the repayment of a loan the repayment of which will not impair or burden the funds needed to operate the portion of the Real Property and, if applicable, Facility that is the subject of the Use Contract in the manner specified in Section 2.04 and for which the entire amount is used (i) to acquire additional real estate that is needed to so operate the Real Property and, if applicable, Facility in accordance with the requirements imposed under Section 2.04 and will be included in and as part of the Public Entity’s ownership interest in the Real Property and, if applicable, Facility, and/or (ii) to pay for capital improvements that are needed to so operate the Real Property and, if applicable, Facility in accordance with the requirements imposed under Section 2.04.

L. If the amount of the Program Grant exceeds \$200,000.00, then it must contain a provision requiring the Counterparty to list any vacant or new positions it may have with state workforce centers as required by Minn. Stat. § 116L.66, as it may be amended, modified or replaced from time to time, for the term of the Use Contract.

M. It must contain a provision that clearly states that the Public Entity is not required to renew the Use Contract beyond the original term thereof and that the Public Entity may,

at its sole option and discretion, allow the Use Contract to expire at the end of its original term and thereafter directly operate the governmental program in the Real Property and, if applicable, Facility or contract with some other entity to operate the governmental program in the Real Property and, if applicable, Facility.

Section 3.02 Initial Term and Renewal. The initial term for a Use Contract may not exceed the lesser of (i) 50% of the Useful Life of the Real Property and, if applicable, Facility for the portion of the Real Property and, if applicable, Facility that is the subject of the Use Contract, or (ii) the shortest term of the Public Entity's ownership interest in the Real Property and, if applicable, Facility.

A Use Contract may allow for renewals beyond its initial term on the conditions that (a) the term of any renewal may not exceed the initial term, (b) the Public Entity must make a determination that renewal will continue to carry out the State Program and that the Counterparty is suited and able to perform the functions contained in Use Contract that is to be renewed, (c) the Use Contract may not include any provisions that would require, either directly or indirectly, the Public Entity to either make the determination referred to in this Section or to renew the Use Contract with the Counterparty after the expiration of the initial term or any renewal term, and (d) no such renewal may occur prior to the date that is 6 months prior to the date on which the Use Contract is scheduled to terminate. Provided, however, notwithstanding anything to the contrary contained herein the Public Entity's voluntary agreement to reimburse the Counterparty for any investment that the Counterparty provided for the acquisition or betterment of the Real Property and, if applicable, Facility that is the subject of the Use Contract if the Public Entity does not renew a Use Contract if requested by the Counterparty is not deemed to be a provision that directly or indirectly requires the Public Entity to renew such Use Contract.

Section 3.03 Reimbursement of Counterparty. A Use Contract may but need not contain, at the sole option and discretion of the Public Entity, a provision that requires the Public Entity to reimburse the Counterparty for any investment that the Counterparty provided for the acquisition or betterment of the Real Property and, if applicable, Facility that is the subject of the Use Contract if the Public Entity does not renew a Use Contract if requested by the Counterparty. If agreed to by the Public Entity, such reimbursement shall be on terms and conditions agreed to by the Public Entity and the Counterparty.

Section 3.04 Receipt of Monies Under a Use Contract. The Public Entity does not anticipate the receipt of any funds under a Use Contract, provided, however, if the Public Entity does receive any monies under a Use Contract in excess of the amount the Public Entity needs and is authorized to use to pay the operating expenses of the portion of the Real Property and, if applicable, Facility that is the subject of a Use Contract, and to pay the principal, interest, redemption premiums, and other expenses on Approved Debt, then a portion of such excess monies must be paid by the Public Entity to the Commissioner of MMB. The portion of such excess monies that the Public Entity must and shall pay to the Commissioner of MMB shall be determined by the Commissioner of MMB, and absent circumstances which would indicate otherwise such portion shall be determined by multiplying such excess monies by a fraction the numerator of which is the Program Grant and the denominator of which is sum of the Program Grant and the Approved Debt.

Article IV
SALE

Section 4.01 **Sale.** The Public Entity shall not sell any part of its ownership interest in the Real Property and, if applicable, Facility unless all of the following provisions have been complied with fully.

A. The Public Entity determines, by official action, that such ownership interest is no longer usable or needed for the operation of the State Program, which such determination may be based on a determination that the portion of the Real Property or, if applicable, Facility to which such ownership interest applies is no longer suitable or financially feasible for such purpose.

B. The sale is made as authorized by law.

C. The sale is for Fair Market Value.

D. The written consent of the Commissioner of MMB has been obtained.

The acquisition of the Public Entity's ownership interest in the Real Property and, if applicable, Facility at a foreclosure sale, by acceptance of a deed-in-lieu of foreclosure, or enforcement of a security interest in personal property used in the operation thereof, by a lender that has provided monies for the acquisition of the Public Entity's ownership interest in or betterment of the Real Property and, if applicable, Facility shall not be considered a sale for the purposes of this Agreement if after such acquisition the lender operates such portion of the Real Property and, if applicable, Facility in a manner which is not inconsistent with the requirements imposed under Section 2.04 and the lender uses its best efforts to sell such acquired interest to a third party for Fair Market Value. The lender's ultimate sale or disposition of the acquired interest in the Real Property and, if applicable, Facility shall be deemed to be a sale for the purposes of this Agreement, and the proceeds thereof shall be disbursed in accordance with the provisions contained in Section 4.02.

The Public Entity may participate in any public auction of its ownership interest in the Real Property and, if applicable, Facility and bid thereon; provided that the Public Entity agrees that if it is the successful purchaser it will not use any part of the Real Property or, if applicable, Facility for the State Program.

Section 4.02 **Proceeds of a Sale.** Upon the sale of the Public Entity's ownership interest in the Real Property and, if applicable, Facility the proceeds thereof after the deduction of all costs directly associated and incurred in conjunction with such sale and such other costs that are approved, in writing, by the Commissioner of MMB, but not including the repayment of any debt associated with the Public Entity's ownership interest in the Real Property and, if applicable, Facility, shall be disbursed in the following manner and order.

A. The first distribution shall be to the Commissioner of MMB in an amount equal to the Outstanding Balance of the Program Grant, and if the amount of such net proceeds

shall be less than the amount of the Outstanding Balance of the Program Grant then all of such net proceeds shall be distributed to the Commissioner of MMB.

B. The remaining portion, after the distribution specified in Section 4.02.A, shall be distributed to (i) pay in full any outstanding Approved Debt, (ii) reimburse the Public Entity for its Ownership Value, and (iii) to pay interested public and private entities, other than any such entity that has already received the full amount of its contribution (such as the State Entity under Section 4.02.A and the holders of Approved Debt paid under this Section 4.02.B), the amount of money that such entity contributed to the Initial Acquisition and Betterment Costs and the Subsequent Betterment Costs. If such remaining portion is not sufficient to reimburse interested public and private entities for the full amount that such entities contributed to the acquisition or betterment of the Real Property and, if applicable, Facility, then the amount available shall be distributed as such entities may agree in writing, and if such entities cannot agree by an appropriately issued court order.

C. The remaining portion, after the distributions specified in Sections 4.02.A and B, shall be divided and distributed to the State Entity, the Public Entity, and any other public and private entity that contributed funds to the Initial Acquisition and Betterment Costs and the Subsequent Betterment Costs, other than lenders who supplied any of such funds, in proportion to the contributions that the State Entity, the Public Entity, and such other public and private entities made to the acquisition and betterment of the Real Property and, if applicable, Facility as such amounts are part of the Ownership Value, Initial Acquisition and Betterment Costs, and Subsequent Betterment Costs.

The distribution to the State Entity shall be made to the Commissioner of MMB, and the Public Entity may direct its distribution to be made to any other entity including, but not limited to, a Counterparty.

All amounts to be disbursed under this Section 4.02 must be consented to, in writing, by the Commissioner of MMB, and no such disbursements shall be made without such consent.

The Public Entity shall not be required to pay or reimburse the State Entity or the Commissioner of MMB for any funds above and beyond the full net proceeds of such sale, even if such net proceeds are less than the amount of the Outstanding Balance of the Program Grant.

Article V COMPLIANCE WITH G.O. COMPLIANCE LEGISLATION AND THE COMMISSIONER'S ORDER

Section 5.01 State Bond Financed Property. The Public Entity and the State Entity acknowledge and agree that the Public Entity's ownership interest in the Real Property and, if applicable, Facility is, or when acquired by the Public Entity will be, "state bond financed property", as such term is used in the G.O. Compliance Legislation and the Commissioner's Order, and, therefore, the provisions contained in such statute and order apply, or will apply, to the Public Entity's ownership interest in the Real Property and, if applicable, Facility and any Use Contracts relating thereto.

Section 5.02 Preservation of Tax Exempt Status. In order to preserve the tax-exempt status of the G.O. Bonds, the Public Entity agrees as follows:

A. It will not use the Real Property or, if applicable, Facility, or use or invest the Program Grant or any other sums treated as “bond proceeds” under Section 148 of the Code including “investment proceeds,” “invested sinking funds,” and “replacement proceeds,” in such a manner as to cause the G.O. Bonds to be classified as “arbitrage bonds” under Section 148 of the Code.

B. It will deposit into and hold all of the Program Grant that it receives under this Agreement in a segregated non-interest bearing account until such funds are used for payments for the Project in accordance with the provisions contained herein.

C. It will, upon written request, provide the Commissioner of MMB all information required to satisfy the informational requirements set forth in the Code including, but not limited to, Sections 103 and 148 thereof, with respect to the G.O. Bonds.

D. It will, upon the occurrence of any act or omission by the Public Entity or any Counterparty, that could cause the interest on the G.O. Bonds to no longer be tax exempt and upon direction from the Commissioner of MMB, take such actions and furnish such documents as the Commissioner of MMB determines to be necessary to ensure that the interest to be paid on the G.O. Bonds is exempt from federal taxation, which such action may include either: (i) compliance with proceedings intended to classify the G.O. Bonds as a “qualified bond” within the meaning of Section 141(e) of the Code, (ii) changing the nature or terms of the Use Contract so that it complies with Revenue Procedure 97-13, as amended by Rev. Proc 2016-44 and Rev. Proc. 2017-13, or (iii) changing the nature of the use of the Real Property or, if applicable, Facility so that none of the net proceeds of the G.O. Bonds will be used, directly or indirectly, in an “unrelated trade or business” or for any “private business use” (within the meaning of Sections 141(b) and 145(a) of the Code), or (iv) compliance with other Code provisions, regulations, or revenue procedures which amend or supersede the foregoing.

E. It will not otherwise use any of the Program Grant, including earnings thereon, if any, or take or permit to or cause to be taken any action that would adversely affect the exemption from federal income taxation of the interest on the G.O. Bonds, nor omit to take any action necessary to maintain such tax exempt status, and if it should take, permit, omit to take, or cause to be taken, as appropriate, any such action, it shall take all lawful actions necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof.

Section 5.03 Changes to G.O. Compliance Legislation or the Commissioner’s Order. In the event that the G.O. Compliance Legislation or the Commissioner’s Order is amended in a manner that reduces any requirement imposed against the Public Entity, or if the Public Entity’s ownership interest in the Real Property or, if applicable, Facility is exempt from the G.O. Compliance Legislation and the Commissioner’s Order, then upon written request by the Public

Entity the State Entity shall enter into and execute an amendment to this Agreement to implement herein such amendment to or exempt the Public Entity's ownership interest in the Real Property and, if applicable, Facility from the G.O. Compliance Legislation or the Commissioner's Order.

Article VI
DISBURSEMENT OF GRANT PROCEEDS

Section 6.01 **Disbursement of Grant.** Upon compliance with all of the conditions delineated in Section 6.02, the State Entity shall disburse the Program Grant to the Public Entity in one lump sum. Under no circumstance shall the State Entity be required to disburse funds in excess of the amount requested by the Public Entity under the provisions contained in Section 6.02.A even if the amount requested is less than the amount of the Program Grant delineated in Section 1.01. If the amount of Program Grant that the State Entity disburses hereunder to the Public Entity is less than the amount of the Program Grant delineated in Section 1.01, then the State Entity and the Public Entity shall enter into and execute whatever documents the State Entity may request in order to amend or modify this Agreement to reduce the amount of the Program Grant to the amount actually disbursed. Provided, however, in accordance with the provisions contained in Section 2.11, the State Entity's obligation to disburse any of the Program Grant shall terminate as of the date specified in such Section even if the entire Program Grant has not been disbursed by such date.

The Program Grant shall only be for expenses that (i) are for those items of a capital nature for the Project, (ii) accrued no earlier than the effective date of the legislation that appropriated the funds that are used to fund the Program Grant, or (iii) have otherwise been consented to, in writing, by the State Entity and the Commissioner of MMB.

Section 6.02 **Conditions Precedent to Disbursement of Grant.** The obligation of the State Entity to disburse the Program Grant to the Public Entity is subject to the following conditions precedent:

A. The State Entity shall have received a request for disbursement of the Program Grant specifying the amount of funds being requested, which such amount shall not exceed the amount of the Program Grant delineated in Section 1.01.

B. The State Entity shall have received a duly executed Declaration that has been duly recorded in the appropriate governmental office, with all of the recording information displayed thereon.

C. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that (i) the Public Entity has legal authority to and has taken all actions necessary to enter into this Agreement and the Declaration, and (ii) this Agreement and the Declaration are binding on and enforceable against the Public Entity.

D. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that the Public Entity has fully and completely paid for the Project and all other expenses that may occur in conjunction therewith.

E. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that the Public Entity is in compliance with the matching funds requirements, if any, contained in Section 7.23 and that all of such matching funds, if any, have been expended for the Project.

F. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, showing that the Public Entity possesses the ownership interest delineated in Section 2.02.

G. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that the Real Property and, if applicable, Facility and the contemplated use thereof are permitted by and will comply with all applicable use or other restrictions and requirements imposed by applicable zoning ordinances or regulations, and, if required by law, have been duly approved by the applicable municipal or governmental authorities having jurisdiction thereover.

H. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that that all applicable and required building permits, other permits, bonds and licenses necessary for the Project have been paid for, issued, and obtained, other than those permits, bonds and licenses which may not lawfully be obtained until a future date or those permits, bonds and licenses which in the ordinary course of business would normally not be obtained until a later date.

I. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that that all applicable and required permits, bonds and licenses necessary for the operation of the Real Property and, if applicable, Facility in the manner specified in Section 2.04 have been paid for, issued, and obtained, other than those permits, bonds and licenses which may not lawfully be obtained until a future date or those permits, bonds and licenses which in the ordinary course of business would normally not be obtained until a later date.

J. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that the Project was completed in a manner that will allow the Real Property and, if applicable, Facility to be operated in the manner specified in Section 2.04, which requirement may be satisfied by a certificate of occupancy or such other equivalent document from the municipality in which the Real Property is located.

K. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that the Public Entity has the ability and a plan to fund the operation of the Real Property and, if applicable, Facility in the manner specified in Section 2.04.

L. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, that the insurance requirements under Section 7.01 have been satisfied.

M. The State Entity shall have received evidence, in form and substance acceptable to the State Entity, of compliance with the provisions and requirements specified in Section 7.10 and all additional applicable provisions and requirements, if any, contained in Minn. Stat. § 16B.335, as it may be amended, modified or replaced from time to time. Such evidence shall include, but not be limited to, evidence that: (i) the predesign package referred to in Section 7.10.B has, if required, been reviewed by and received a favorable recommendation from the Commissioner of Administration for the State of Minnesota, (ii) the program plan and cost estimates referred to in Section 7.10.C have, if required, received a recommendation by the Chairs of the Minnesota State Senate Finance Committee and Minnesota House of Representatives Ways and Means Committee, and (iii) the Chair and Ranking Minority Member of the Minnesota House of Representatives Capital Investment Committee and the Chair and Ranking Minority Member of the Minnesota Senate Capital Investment Committee have, if required, been notified pursuant to Section 7.10.G.

N. No Event of Default under this Agreement or event which would constitute an Event of Default but for the requirement that notice be given or that a period of grace or time elapse shall have occurred and be continuing.

O. The Public Entity has supplied to the State Entity all other items that the State Entity may reasonably require.

Article VII MISCELLANEOUS

Section 7.01 Insurance. The Public Entity shall, upon acquisition of the ownership interest delineated in Section 2.02, insure the Facility, if such exists, in an amount equal to the full insurable value thereof (i) by self insuring under a program of self insurance legally adopted, maintained and adequately funded by the Public Entity, or (ii) by way of builders risk insurance and fire and extended coverage insurance with a deductible in an amount acceptable to the State Entity under which the State Entity and the Public Entity are named as loss payees. If damages which are covered by such required insurance occur, then the Public Entity shall, at its sole option and discretion, either: (y) use or cause the insurance proceeds to be used to fully or partially repair such damage and to provide or cause to be provided whatever additional funds that may be needed to fully or partially repair such damage, or (z) sell its ownership interest in the damaged Facility and portion of the Real Property associated therewith in accordance with the provisions contained in Section 4.01.

If the Public Entity elects to only partially repair such damage, then the portion of the insurance proceeds not used for such repair shall be applied in accordance with the provisions contained in Section 4.02 as if the Public Entity's ownership interest in the Real Property and Facility had been sold, and such amounts shall be credited against the amounts due and owing under Section 4.02 upon the ultimate sale of the Public Entity's ownership interest in the Real Property and Facility. If the Public Entity elects to sell its ownership interest in the damaged Facility and portion of the Real Property associated therewith, then such sale must occur within a reasonable time period from the date the damage occurred and the cumulative sum of the insurance proceeds plus the proceeds of such sale must be applied in accordance with the provisions

contained in Section 4.02, with the insurance proceeds being so applied within a reasonable time period from the date they are received by the Public Entity.

The State Entity agrees to and will assign or pay over to the Public Entity all insurance proceeds it receives so that the Public Entity can comply with the requirements that this Section imposes thereon as to the use of such insurance proceeds.

If the Public Entity elects to maintain general comprehensive liability insurance regarding the Real Property and, if applicable, Facility, then the Public Entity shall have the State Entity named as an additional named insured therein.

The Public Entity may require a Counterparty to provide and maintain any or all of the insurance required under this Section; provided that the Public Entity continues to be responsible for the providing of such insurance in the event that the Counterparty fails to provide or maintain such insurance.

At the written request of either the State Entity or the Commissioner of MMB, the Public Entity shall promptly furnish to the requesting entity all written notices and all paid premium receipts received by the Public Entity regarding the required insurance, or certificates of insurance evidencing the existence of such required insurance.

If the Public Entity fails to provide and maintain the insurance required under this Section, then the State Entity may, at its sole option and discretion, obtain and maintain insurance of an equivalent nature, and any funds expended by the State Entity to obtain or maintain such insurance shall be due and payable on demand by the State Entity and bear interest from the date of advancement by the State Entity at a rate equal to the lesser of the maximum interest rate allowed by law or 18% per annum based upon a 365-day year. Provided, however, nothing contained herein, including but not limited to this Section, shall require the State Entity to obtain or maintain such insurance, and the State Entity's decision to not obtain or maintain such insurance shall not lessen the Public Entity's duty to obtain and maintain such insurance.

Section 7.02 Condemnation. If after the Public Entity has acquired the ownership interest delineated in Section 2.02 all or any portion of the Real Property and, if applicable, Facility is condemned to an extent that the Public Entity can no longer comply with the provisions contained in Section 2.04, then the Public Entity shall, at its sole option and discretion, either: (i) use or cause the condemnation proceeds to be used to acquire an interest in additional real property needed for the Public Entity to continue to comply with the provisions contained in Section 2.04 and, if applicable, to fully or partially restore the Facility, and to provide or cause to be provided whatever additional funds that may be needed for such purposes, or (ii) sell the remaining portion of its ownership interest in the Real Property and, if applicable, Facility in accordance with the provisions contained in Section 4.01. Any condemnation proceeds which are not used to acquire an interest in additional real property or to restore, if applicable, the Facility shall be applied in accordance with the provisions contained in Section 4.02 as if the Public Entity's ownership interest in the Real Property and, if applicable, Facility had been sold, and such amounts shall be credited against the amounts due and owing under Section 4.02 upon the ultimate sale of the Public Entity's ownership interest in the remaining Real Property and, if applicable, Facility. If the Public

Entity elects to sell its ownership interest in the portion of the Real Property and, if applicable, Facility that remains after the condemnation, then such sale must occur within a reasonable time period from the date the condemnation occurred and the cumulative sum of the condemnation proceeds plus the proceeds of such sale must be applied in accordance with the provisions contained in Section 4.02, with the condemnation proceeds being so applied within a reasonable time period from the date they are received by the Public Entity.

As recipient of any of condemnation awards or proceeds referred to herein, the State Entity agrees to and will disclaim, assign or pay over to the Public Entity all of such condemnation awards or proceeds it receives so that the Public Entity can comply with the requirements that this Section imposes upon the Public Entity as to the use of such condemnation awards or proceeds.

Section 7.03 Use, Maintenance, Repair and Alterations. The Public Entity shall (i) keep the Real Property and, if applicable, Facility, in good condition and repair, subject to reasonable and ordinary wear and tear, (ii) complete promptly and in good and workmanlike manner any building or other improvement which may be constructed on the Real Property and promptly restore in like manner any portion of the Facility, if applicable, which may be damaged or destroyed thereon and pay when due all claims for labor performed and materials furnished therefor, (iii) comply with all laws, ordinances, regulations, requirements, covenants, conditions and restrictions now or hereafter affecting the Real Property or, if applicable, Facility, or any part thereof, or requiring any alterations or improvements thereto, (iv) keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair, (v) comply with the provisions of any Real Property/Facility Lease if the Public Entity's ownership interest in the Real Property and, if applicable, Facility, is a leasehold interest, (vi) comply with the provisions of any easement if its ownership interest in the Real Property and, if applicable, Facility is by way of such easement, and (vii) comply with the provisions of any condominium documents and any applicable reciprocal easement or operating agreements if the Real Property and, if applicable, Facility, is part of a condominium regime or is subject to a reciprocal easement or use contract.

The Public Entity shall not, without the written consent of the State Entity and the Commissioner of MMB, (a) permit or suffer the use of any of the Real Property or, if applicable, Facility, for any purpose other than the purposes specified in Section 2.04, (b) remove, demolish or substantially alter any of the Real Property or, if applicable, Facility, except such alterations as may be required by laws, ordinances or regulations or such other alterations as may improve such Real Property or, if applicable, Facility by increasing the value thereof or improving its ability to be used to operate the State Program thereon or therein, (c) do any act or thing which would unduly impair or depreciate the value of the Real Property or, if applicable, Facility, (d) abandon the Real Property or, if applicable, Facility, (e) commit or permit any waste or deterioration of the Real Property or, if applicable, Facility, (f) remove any fixtures or personal property from the Real Property or, if applicable, Facility, that was paid for with the proceeds of the Program Grant unless the same are immediately replaced with like property of at least equal value and utility, or (g) commit, suffer or permit any act to be done in or upon the Real Property or, if applicable, Facility, in violation of any law, ordinance or regulation.

If the Public Entity fails to maintain the Real Property and, if applicable, Facility in accordance with the provisions contained in this Section, then the State Entity may perform whatever acts and expend whatever funds that are necessary to so maintain the Real Property and, if applicable, Facility and the Public Entity irrevocably authorizes and empowers the State Entity to enter upon the Real Property and, if applicable, Facility, to perform such acts as may be necessary to so maintain the Real Property and, if applicable, Facility. Any actions taken or funds expended by the State Entity hereunder shall be at its sole option and discretion, and nothing contained herein, including but not limited to this Section, shall require the State Entity to take any action, incur any expense, or expend any funds, and the State Entity shall not be responsible for or liable to the Public Entity or any other entity for any such acts that are undertaken and performed in good faith and not in a negligent manner. Any funds expended by the State Entity to perform such acts as may be necessary to so maintain the Real Property and, if applicable, Facility shall be due and payable on demand by the State Entity and bear interest from the date of advancement by the State Entity at a rate equal to the lesser of the maximum interest rate allowed by law or 18% per annum based upon a 365 day year.

Section 7.04 Records Keeping and Reporting. The Public Entity shall maintain or cause to be maintained books, records, documents and other evidence pertaining to the costs or expenses associated with the Project and operation of the Real Property and, if applicable, Facility needed to comply with the requirements contained in this Agreement, the G.O. Compliance Legislation, the Commissioner's Order, and the State Program Enabling Legislation, and upon request shall allow or cause the entity which is maintaining such items to allow the State Entity, auditors for the State Entity, the Legislative Auditor for the State of Minnesota, or the State Auditor for the State of Minnesota, to inspect, audit, copy, or abstract, all of such items. The Public Entity shall use or cause the entity which is maintaining such items to use generally accepted accounting principles in the maintenance of such items, and shall retain or cause to be retained (i) all of such items that relate to the Project for a period of 6 years from the date that the Project is fully completed and placed into operation, and (ii) all of such items that relate to the operation of the Real Property and, if applicable, Facility for a period of 6 years from the date such operation is initiated.

Section 7.05 Inspections by State Entity. Upon reasonable request by the State Entity and without interfering with the normal use of the Real Property and, if applicable, Facility, the Public Entity shall allow, and will require any entity to whom it leases, subleases, or enters into a Use Contract for any portion of the Real Property and, if applicable, Facility to allow the State Entity to inspect the Real Property and, if applicable, Facility.

Section 7.06 Data Practices. The Public Entity agrees with respect to any data that it possesses regarding the Program Grant, the Project, or the operation of the Real Property and, if applicable, Facility, to comply with all of the provisions and restrictions contained in the Minnesota Government Data Practices Act contained in Chapter 13 of the Minnesota Statutes that exists as of the date of this Agreement and as such may subsequently be amended, modified or replaced from time to time.

Section 7.07 Non-Discrimination. The Public Entity agrees to not engage in discriminatory employment practices regarding the Project, or operation or management of the Real Property and, if applicable, Facility, and it shall, with respect to such activities, fully comply

with all of the provisions contained in Chapters 363A and 181 of the Minnesota Statutes that exist as of the date of this Agreement and as such may subsequently be amended, modified or replaced from time to time.

Section 7.08 Worker's Compensation. The Public Entity agrees to comply with all of the provisions relating to worker's compensation contained in Minn. Stat. §§ 176.181, subd. 2 and 176.182, as they may be amended, modified or replaced from time to time, with respect to the Project and the operation or management of the Real Property and, if applicable, Facility.

Section 7.09 Antitrust Claims. The Public Entity hereby assigns to the State Entity and the Commissioner of MMB all claims it may have for overcharges as to goods or services provided with respect to the Project, and operation or management of the Real Property and, if applicable, Facility that arise under the antitrust laws of the State of Minnesota or of the United States of America.

Section 7.10 Review of Plans and Cost Estimates. The Public Entity agrees to comply with all applicable provisions and requirements, if any, contained in Minn. Stat. § 16B.335, as it may be amended, modified or replaced from time to time, for the Project, and in accordance therewith the Public Entity agrees to comply with the following provisions and requirements if such provisions and requirements are applicable.

A. The Public Entity shall provide all information that the State Entity may request in order for the State Entity to determine that the Project will comply with the provisions and requirements contained in Minn. Stat. § 16B.335, as it may be amended, modified or replaced from time to time.

B. Prior to its proceeding with design activities for the Project the Public Entity shall prepare a predesign package and submit it to the Commissioner of Administration for the State of Minnesota for review and comment. The predesign package must be sufficient to define the purpose, scope, cost, and projected schedule for the Project, and must demonstrate that the Project has been analyzed according to appropriate space and needs standards. Any substantial changes to such predesign package must be submitted to the Commissioner of Administration for the State of Minnesota for review and comment.

C. If the Project includes the construction of a new building, substantial addition to an existing building, a substantial change to the interior configuration of an existing building, or the acquisition of an interest in land, then the Public Entity shall not prepare final plans and specifications until it has prepared a program plan and cost estimates for all elements necessary to complete the Project and presented them to the Chairs of the Minnesota State Senate Finance Committee and Minnesota House of Representatives Ways and Means Committee and the chairs have made their recommendations, and it has notified the Chair and Ranking Minority Member of the Minnesota House of Representatives Capital Investment Committee and the Chair and Ranking Minority Member of the Minnesota State Senate Capital Investment Committee. The program plan and cost estimates must note any significant changes in the work to be performed on the Project, or in its costs, which have

arisen since the appropriation from the legislature for the Project was enacted or which differ from any previous predesign submittal.

D. The Public Entity must notify the Chairs and Ranking Minority Members of the Minnesota State Senate Finance and Capital Investment Committees, and the Minnesota House of Representatives Capital Investment and Ways and Means Committees of any significant changes to the program plan and cost estimates referred to in Section 7.10.C.

E. The program plan and cost estimates referred to in Section 7.10.C must ensure that the Project will comply with all applicable energy conservation standards contained in law, including Minn. Stat. §§ 216C.19 to 216C.20, as they may be amended, modified or replaced from time to time, and all rules adopted thereunder.

F. If any of the Program Grant is to be used for the construction or remodeling of the Facility, then both the predesign package referred to in Section 7.10.B and the program plan and cost estimates referred to in Section 7.10.C must include provisions for cost-effective information technology investments that will enable the occupant of the Facility to reduce its need for office space, provide more of its services electronically, and decentralize its operations.

G. If the Project does not involve the construction of a new building, substantial addition to an existing building, substantial change to the interior configuration of an existing building, or the acquisition of an interest in land, then prior to beginning work on the Project the Public Entity shall just notify the Chairs and Ranking Minority Members of the Minnesota State Senate Finance and Capital Investment Committees, and the Minnesota House of Representatives Capital Investment and Ways and Means Committees that the work to be performed is ready to begin.

H. The Project must be: (i) substantially completed in accordance with the program plan and cost estimates referred to in Section 7.10.C, (ii) completed in accordance with the time schedule contained in the program plan referred to in Section 7.10.C, and (iii) completed within the budgets contained in the cost estimates referred to in Section 7.10.C.

Provided, however, the provisions and requirements contained in this Section only apply to public lands or buildings or other public improvements of a capital nature, and shall not apply to the demolition or decommissioning of state assets, hazardous material projects, utility infrastructure projects, environmental testing, parking lots, parking structures, park and ride facilities, bus rapid transit stations, light rail lines, passenger rail projects, exterior lighting, fencing, highway rest areas, truck stations, storage facilities not consisting primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds, athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer separation projects, water and wastewater facilities, port development projects for which the Commissioner of Transportation for the State of Minnesota has entered into an assistance agreement under Minn. Stat. § 457A.04, as it may be amended, modified or replaced from time to time, ice centers, local government projects with a construction cost of less than \$1,500,000.00, or any other capital project with a construction cost of less than \$750,000.00.

Section 7.11 Prevailing Wages. The Public Entity agrees to comply with all of the applicable provisions contained in Chapter 177 of the Minnesota Statutes, and specifically those provisions contained in Minn. Stat. §§ 177.41 through 177.435, as they may be amended, modified or replaced from time to time with respect to the Project and the operation of the State Program on or in the Real Property and, if applicable, Facility. By agreeing to this provision, the Public Entity is not acknowledging or agreeing that the cited provisions apply to the Project or the operation of the State Program on or in the Real Property and, if applicable, Facility.

Section 7.12 Liability. The Public Entity and the State Entity agree that they will, subject to any indemnifications provided herein, be responsible for their own acts and the results thereof to the extent authorized by law, and they shall not be responsible for the acts of the other party and the results thereof. The liability of the State Entity and the Commissioner of MMB is governed by the provisions contained in Minn. Stat. § 3.736, as it may be amended, modified or replaced from time to time. If the Public Entity is a “municipality” as such term is used in Chapter 466 of the Minnesota Statutes that exists as of the date of this Agreement and as such may subsequently be amended, modified or replaced from time to time, then the liability of the Public Entity, including but not limited to the indemnification provided under Section 7.13, is governed by the provisions contained in such Chapter 466.

Section 7.13 Indemnification by the Public Entity. The Public Entity shall bear all loss, expense (including attorneys’ fees), and damage in connection with the Project and operation of the Real Property and, if applicable, Facility, and agrees to indemnify and hold harmless the State Entity, the Commissioner of MMB, and the State of Minnesota, their agents, servants and employees from all claims, demands and judgments made or recovered against the State Entity, the Commissioner of MMB, and the State of Minnesota, their agents, servants and employees, because of bodily injuries, including death at any time resulting therefrom, or because of damages to property of the State Entity, the Commissioner of MMB, or the State of Minnesota, or others (including loss of use) from any cause whatsoever, arising out of, incidental to, or in connection with the Project or operation of the Real Property and, if applicable, Facility, whether or not due to any act of omission or commission, including negligence of the Public Entity or any contractor or his or their employees, servants or agents, and whether or not due to any act of omission or commission (excluding, however, negligence or breach of statutory duty) of the State Entity, the Commissioner of MMB, or the State of Minnesota, their employees, servants or agents.

The Public Entity further agrees to indemnify, save, and hold the State Entity, the Commissioner of MMB, and the State of Minnesota, their agents and employees, harmless from all claims arising out of, resulting from, or in any manner attributable to any violation by the Public Entity, its officers, employees, or agents, or by any Counterparty, its officers, employees, or agents, of any provision of the Minnesota Government Data Practices Act, including legal fees and disbursements paid or incurred to enforce the provisions contained in Section 7.06.

The Public Entity’s liability hereunder shall not be limited to the extent of insurance carried by or provided by the Public Entity, or subject to any exclusions from coverage in any insurance policy.

Section 7.14 **Relationship of the Parties.** Nothing contained in this Agreement is intended or should be construed in any manner as creating or establishing the relationship of co-partners or a joint venture between the Public Entity, the State Entity, or the Commissioner of MMB, nor shall the Public Entity be considered or deemed to be an agent, representative, or employee of the State Entity, the Commissioner of MMB, or the State of Minnesota in the performance of this Agreement, the Project, or operation of the Real Property and, if applicable, Facility.

The Public Entity represents that it has already or will secure or cause to be secured all personnel required for the performance of this Agreement and the Project, and the operation and maintenance of the Real Property and, if applicable, Facility. All personnel of the Public Entity or other persons while engaging in the performance of this Agreement, the Project, or the operation and maintenance of the Real Property and, if applicable, Facility shall not have any contractual relationship with the State Entity, the Commissioner of MMB, or the State of Minnesota, and shall not be considered employees of any of such entities. In addition, all claims that may arise on behalf of said personnel or other persons out of employment or alleged employment including, but not limited to, claims under the Workers' Compensation Act of the State of Minnesota, claims of discrimination against the Public Entity, its officers, agents, contractors, or employees shall in no way be the responsibility of the State Entity, the Commissioner of MMB, or the State of Minnesota. Such personnel or other persons shall not require nor be entitled to any compensation, rights or benefits of any kind whatsoever from the State Entity, the Commissioner of MMB, or the State of Minnesota including, but not limited to, tenure rights, medical and hospital care, sick and vacation leave, disability benefits, severance pay and retirement benefits.

Section 7.15 **Notices.** In addition to any notice required under applicable law to be given in another manner, any notices required hereunder must be in writing and shall be sufficient if personally served or sent by prepaid, registered, or certified mail (return receipt requested), to the business address of the party to whom it is directed. Such business address shall be that address specified below or such different address as may hereafter be specified, by either party by written notice to the other:

To the Public Entity at:

«GRANT RECIPIENT NAME»
«MAILING ADDRESS»
«CITY», MN «ZIP»
Attention: «AUTHORIZED REP NAME»

To the State Entity at:

MN Department of Education
1500 Hwy 36 W
Roseville, MN 55113
Attention: Hannah Buckland, State Library Services

To the Commissioner of MMB at:

Minnesota Department of Management and Budget
400 Centennial Office Bldg.
658 Cedar St.
St. Paul, MN 55155
Attention: Commissioner

Section 7.16 **Binding Effect and Assignment or Modification.** This Agreement and the Declaration shall be binding upon and inure to the benefit of the Public Entity and the State Entity, and their respective successors and assigns. Provided, however, that neither the Public Entity nor the State Entity may assign any of its rights or obligations under this Agreement or the Declaration without the prior written consent of the other party. No change or modification of the terms or provisions of this Agreement or the Declaration shall be binding on either the Public Entity or the State Entity unless such change or modification is in writing and signed by an authorized official of the party or against which such change or modification is to be imposed.

Section 7.17 **Waiver.** Neither the failure by the Public Entity, the State Entity, or the Commissioner of MMB, as a third party beneficiary of this Agreement, in any one or more instances to insist upon the complete and total observance or performance of any term or provision hereof, nor the failure of the Public Entity, the State Entity, or the Commissioner of MMB, as a third party beneficiary of this Agreement, to exercise any right, privilege, or remedy conferred hereunder or afforded by law shall be construed as waiving any breach of such term, provision, or the right to exercise such right, privilege, or remedy thereafter. In addition, no delay on the part of the Public Entity, the State Entity, or the Commissioner of MMB, as a third party beneficiary of this Agreement, in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude other or further exercise thereof or the exercise of any other right or remedy.

Section 7.18 **Entire Agreement.** This Agreement, the Declaration, and the documents, if any, referred to and incorporated herein by reference embody the entire agreement between the Public Entity and the State Entity, and there are no other agreements, either oral or written, between the Public Entity and the State Entity on the subject matter hereof.

Section 7.19 **Choice of Law and Venue.** All matters relating to the validity, construction, performance, or enforcement of this Agreement or the Declaration shall be determined in accordance with the laws of the State of Minnesota. All legal actions initiated with respect to or arising from any provision contained in this Agreement shall be initiated, filed and venued in the State of Minnesota District Court located in the City of St. Paul, County of Ramsey, State of Minnesota.

Section 7.20 **Severability.** If any provision of this Agreement is finally judged by any court to be invalid, then the remaining provisions shall remain in full force and effect and they shall be interpreted, performed, and enforced as if the invalid provision did not appear herein.

Section 7.21 **Time of Essence.** Time is of the essence with respect to all of the matters contained in this Agreement.

Section 7.22 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument.

Section 7.23 **Matching Funds.** The Public Entity must obtain and supply the following matching funds, if any, for the Project:

The grant requires a minimum of a 1:1 local match from non-state funds.

Any matching funds which are intended to meet the above requirements must either be in the form of (i) cash monies, (ii) legally binding commitments for money, or (iii) equivalent funds or contributions, including equity, which have been or will be used to pay for the Project. The Public Entity shall supply to the Commissioner of MMB whatever documentation the Commissioner of MMB may request to substantiate the availability and source of any matching funds, and the source and terms relating to all matching funds must be consented to, in writing, by the Commissioner of MMB.

Section 7.24 **Source and Use of Funds.** The Public Entity represents to the State Entity and the Commissioner of MMB that **Attachment III** is intended to be and is a source and use of funds statement showing the total cost of the Project and all of the funds that are available for the completion of the Project, and that the information contained in such **Attachment III** correctly and accurately delineates the following information.

A. The total cost of the Project detailing all of the major elements that make up such total cost and how much of such total cost is attributed to each such major element.

B. The source of all funds needed to complete the Project broken down among the following categories:

- (i) State funds including the Program Grant, identifying the source and amount of such funds.
- (ii) Matching funds, identifying the source and amount of such funds.
- (iii) Other funds supplied by the Public Entity, identifying the source and amount of such funds.
- (iv) Loans, identifying each such loan, the entity providing the loan, the amount of each such loan, the terms and conditions of each such loan, and all collateral pledged for repayment of each such loan.
- (v) Other funds, identifying the source and amount of such funds.

C. Such other financial information that is needed to correctly reflect the total funds available for the completion of the Project, the source of such funds and the expected use of such funds.

Previously paid project expenses that are to be reimbursed and paid from proceeds of the Program Grant may only be included as a source of funds and included in **Attachment III** if such items have been approved, in writing, by the Commissioner of MMB.

If any of the funds included under the source of funds have conditions precedent to the release of such funds, then the Public Entity must provide to the State Entity and the Commissioner of MMB a detailed description of such conditions and what is being done to satisfy such conditions.

The Public Entity shall also supply whatever other information and documentation that the State Entity or the Commissioner of MMB may request to support or explain any of the information contained in **Attachment III**.

The value of the Public Entity's ownership interest in the Real Property and, if applicable, Facility should only be shown in **Attachment III** if such ownership interest is being acquired and paid for with funds shown in such **Attachment III**, and for all other circumstances such value should be shown in the definition for Ownership Value in Section 1.01 and not included in such **Attachment III**.

The funds shown in **Attachment III** and to be supplied for the Project may, subject to any limitations contained in the State Program Enabling Legislation, be provided by either the Public Entity or a Counterparty under a Use Contract.

Section 7.25 **Third-Party Beneficiary.** The State Program will benefit the State of Minnesota and the provisions and requirements contained herein are for the benefit of both the State Entity and the State of Minnesota. Therefore, the State of Minnesota, by and through its Commissioner of MMB, is and shall be a third-party beneficiary of this Agreement.

Section 7.26 **Public Entity Tasks.** Any tasks that this Agreement imposes upon the Public Entity may be performed by such other entity as the Public Entity may select or designate, provided that the failure of such other entity to perform said tasks shall be deemed to be a failure to perform by the Public Entity.

Section 7.27 **State Entity and Commissioner Required Acts and Approvals.** The State Entity and the Commissioner of MMB shall not (i) perform any act herein required or authorized by it in an unreasonable manner, (ii) unreasonably refuse to perform any act that it is required to perform hereunder, or (iii) unreasonably refuse to provide or withhold any approval that is required of it herein.

Section 7.28 **Applicability to Real Property and Facility.** This Agreement applies to the Public Entity's ownership interest in the Real Property and if a Facility exists to the Facility. The term "if applicable" appearing in conjunction with the term "Facility" is meant to indicate that this Agreement will apply to a Facility if one exists, and if no Facility exists then this Agreement will only apply to the Public Entity's ownership interest in the Real Property.

Section 7.29 **E-Verification.** The Public Entity agrees and acknowledges that it is aware of Minn. Stat. § 16C.075 regarding e-verification of employment of all newly hired employees to

confirm that such employees are legally entitled to work in the United States, and that it will, if and when applicable, fully comply with such statute and impose a similar requirement in any Use Contract to which it is a party.

Section 7.30 Jobs Reporting Requirements. Pursuant to Minn. Stat. § 16A.633, Subd. 4, the Public Entity shall collect, maintain and, upon completion of the Project, provide the information indicated in **Attachment V** of this Agreement, to the Commissioner of MMB. The information must include, but is not limited to, the following: the number and types of jobs created by the Project, whether the jobs are new or retained, where the jobs are located and the pay ranges of the jobs.

American-Made Steel. Minnesota Laws 2014, Chapter 294, Article 2, Section 22, requires public entities receiving an appropriation of public money for a project in that act to ensure those facilities are built with American-made steel, to the extent practicable. The Public Entity shall comply with this requirement, and shall furnish any documentation pursuant thereto reasonably requested by the State Entity.

Section 7.31 Additional Requirements. The Public Entity and the State Entity agree to comply with the following additional requirements. In the event of any conflict or inconsistency between the following additional requirements and any other provisions or requirement contained in this Agreement, the following additional requirements contained in this Section shall control.

Accessibility. All facilities receiving Library Construction grant funds will comply with Minnesota Statutes relating to accessibility by persons with disabilities, the Americans with Disabilities Act of 1990, amendments to the act, and the Americans with Disability Act Architectural Guidelines in effect at the time of construction.

Internet filtering. The library is in compliance with Minn. Stat. § 134.50(a), which states that all public library computers with Internet access restrict access to material that is reasonably believed to be obscene, child pornography, or is otherwise harmful to minors under federal or state law. This restriction may be accomplished using software filtering technology or other effective methods.

Start date. Project may not have started prior to the enactment of the October 2020 bonding bill.

Grant application modifications. Any revisions or modifications to the grant application that are requested by the State to complete the grant agreement are binding and will be treated as if they were part of the original grant application.

[THE REMAINING PORTION OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN TESTIMONY HEREOF, the Public Entity and the State Entity have executed this General Obligation Bond Proceeds Grant Agreement End Grant for the «NAME OF PROJECT» Project under the Public Library Construction Grant Program on the day and date indicated immediately below their respective signatures.

PUBLIC ENTITY:

«NAME OF RECIPIENT»,
a «LEGAL STRUCTURE OF RECIPIENT»

By: _____
«NAME OF AUTHORIZED PERSON»

Its: «JOB TITLE»

Dated: «DATE»

And: _____
«NAME OF SECOND AUTHORIZED
PERSON IF APPLICABLE»

Its: «JOB TITLE»

Dated: «DATE»

STATE ENTITY:

Minnesota Department of Education,

By:

Heather Mueller, Ed.D

Its: Commissioner

Dated:

Attachment I to Grant Agreement

**State of Minnesota
General Obligation Bond Financed
DECLARATION**

The undersigned has the following interest in the real property located in the County of «COUNTY», State of Minnesota that is legally described in **Exhibit A** attached and all facilities situated thereon (collectively, the “Restricted Property”):

(Check the appropriate box.)

- a fee simple title,
- a lease, or
- an easement,

and as owner of such fee title, lease or easement, does hereby declare that such interest in the Restricted Property is hereby made subject to the following restrictions and encumbrances:

- A. The Restricted Property is bond financed property within the meaning of Minn. Stat. § 16A.695, is subject to the encumbrance created and requirements imposed by such statute, and cannot be sold, mortgaged, encumbered or otherwise disposed of without the approval of the Commissioner of Minnesota Management and Budget, which approval must be evidenced by a written statement signed by said commissioner and attached to the deed, mortgage, encumbrance or instrument used to sell or otherwise dispose of the Restricted Property; and
- B. The Restricted Property is subject to all of the terms, conditions, provisions, and limitations contained in that certain «NAME OF PROJECT» and the Minnesota Department of Education, dated «STATE LIBRARY SERVICES», 2022.

The Restricted Property shall remain subject to this State of Minnesota General Obligation Bond Financed Declaration for 125% of the useful life of the Restricted Property or until the Restricted Property is sold with the written approval of the Commissioner of Minnesota Management and Budget, at which time it shall be released therefrom by way of a written release in recordable form signed by both the Commissioner of the Minnesota Department of Education and the Commissioner of Minnesota Management and Budget, and such written release is recorded in the real estate records relating to the Restricted Property. This Declaration may not be terminated, amended, or in any way modified without the specific written consent of the Commissioner of Minnesota Management and Budget.

(SIGNATURE BLOCK, ACKNOWLEDGMENTS, AND STATEMENT AS TO WHOM IT WAS DRAFTED BY.)

Exhibit A to Declaration
LEGAL DESCRIPTION OF RESTRICTED PROPERTY

LEGAL DESCRIPTION OF PROPERTY

Attachment II to Grant Agreement
LEGAL DESCRIPTION OF REAL PROPERTY

«LEGAL DESCRIPTION OF PROPERTY (USUALLY IDENTICAL TO PREVIOUS
PAGE)»

**Attachment IV to Grant Agreement
GRANT APPLICATION**

«STATE LIBRARY SERVICES WILL ADD THIS»

