

**SUBGRANT AGREEMENT BETWEEN THE GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY
AND
GRAND RAPIDS DOWNTOWN ALLIANCE, INC.**

THIS SUBGRANT AGREEMENT (the "Agreement") is made and entered into this _____ day of _____, ("Effective Date") by and between the Grand Rapids Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota (the "Authority") and Grand Rapids Downtown Alliance, Inc., Minnesota nonprofit corporation (the "Subgrantee").

RECITALS

WHEREAS, the Grand Rapids Economic Development Authority ("Authority") and the City of Grand Rapids, Minnesota (the "City") worked collaboratively on the Grow Grand Rapids 2040 Comprehensive Plan (the "Comprehensive Plan"), and within the Comprehensive Plan, the City and the Authority prioritized maintaining and growing a vibrant downtown area. The Authority desires to prevent blight and help increase additional investment and economic development in the City's downtown;

WHEREAS, in 2023, the Authority prepared an Update to its Downtown Plan which contemplated a public-private partnership coalition to help promote the vibrancy of the City's downtown;

WHEREAS, to achieve such goals, the City partnered with community members to help form the Grand Rapids Downtown Alliance, Inc., a Minnesota nonprofit corporation (the "Subgrantee"), to create and maintain a vibrant, economically successful, safe and attractive downtown in the City (the "Project");

WHEREAS, to support the activities of the Subgrantee and the Authority's goals for downtown, the Authority applied for and received a grant (the "Grant") in the amount of \$2,800,000 from the Blandin Foundation (the "Foundation"), and the Foundation and the Authority entered into a Grant Agreement on May 21, 2025, the form of which is attached hereto as Exhibit A (the "Grant Agreement"); and

WHEREAS, the Authority desires to distribute a portion of the Grant in an amount to exceed \$275,000 (less the costs that the Authority incurred in consultant fees for the Project) to the Subgrantee to assist with certain costs relating to the creation and operation of the Subgrantee (the "Subgrant"); and

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

SECTION I. TERM OF AGREEMENT

This Agreement will terminate on December 31, 2027 (the "Termination Date"). However, the provisions in Section VI of the Grant Agreement and subdivision 5 of Section IV of this Agreement will survive termination or cancellation of this Agreement or of the Grant Agreement.

SECTION II. GRANT ELIGIBLE ACTIVITIES

The proceeds of the Subgrant shall be used for the following costs (the “Grant Eligible Activities”): working capital and start-up costs incurred by the Subgrantee during calendar years 2025, 2026 and 2027 in an amount not to exceed \$275,000 less the amounts that the Authority paid for consultant costs for the Project as determined in its sole discretion. Grant Eligible Costs shall be determined by the Authority in its sole discretion.

The Authority will provide funds to the Subgrantee to the extent of available Grant funds in accordance with the terms of the Grant Agreement and conditioned on the Subgrantee’s compliance with this Agreement. If the costs of Grant Eligible Activities exceed the amount to be reimbursed under such Grant Agreement, such excess shall be the sole responsibility of the Subgrantee. The Subgrantee shall comply with all requirements and conditions of the Grant Agreement and this Agreement.

SECTION III. REQUESTS FOR DISBURSEMENT

On each January 2 and July 1, commencing January 2, 2026 and continuing until July 1, 2027, the Subgrantee shall submit to the Authority the draw request attached hereto as Exhibit B including a proposed budget for its operations for the next six months which shall describe the proposed Grant Eligible Costs. The Authority shall review the budget and determine which expenses qualify as Grant Eligible Costs. Within 30 days of receipt of the budget from the Subgrantee, the Authority shall disburse a portion of the Subgrant to cover the next 6 months of the Subgrantee’s Grant Eligible Expenses. The Subgrantee shall keep records of all expenses constituting Grant Eligible Expenses and shall provide evidence of such payments to the Authority on each January 2 and July 1 including but not limited to invoices, checks and other evidence of payment.

In no event shall proceeds of the Subgrant be provided to the Subgrantee if the Authority does not receive proceeds of the Grant from the Foundation. No disbursements of the Subgrant shall be provided to the Subgrantee if the Subgrantee is not in compliance with the requirements of this Agreement.

SECTION IV. SUBGRANTEE OBLIGATIONS

- 1. Ineligible Uses.** Grant funds must be used for Grant Eligible Activities. Subgrant funds also shall not be used by the Subgrantee to supplant or replace: (a) funds obtained for the Grant Eligible Activities from other sources; or (b) contributions to the Grant Eligible Activities, including financial assistance or other resources of the Subgrantee. The Authority shall bear no responsibility for cost overruns which may be incurred by the Subgrantee or others in the implementation or performance of the Grant Eligible Activities.
- 2. Restrictions on Subgrants.** The Subgrantee cannot use the grant funds for Subgrants to any subrecipient.
- 3. Reports and Records.** The Subgrantee will submit to the Authority records and reports as required by the Grant Agreement and as follows:
 - a. Within 30 days of its completion, commencing in 2026, the Subgrantee shall submit to the Authority annual audited financial statements and Form 990s.
 - b. Within 30 days of the end of each quarter, commencing the quarter ending December 31, 2025, submit unaudited quarterly financial statements to the Authority.

c. Commencing December 31, 2025 and continuing the last day of each month, submit monthly check reports and registers to the Authority for the previous calendar month.

4. Insurance. The Subgrantee agrees that in order to protect itself as well as the Authority under the indemnity provision contained in Section IV, paragraph 5 herein, it will obtain and keep in force during the term of this Agreement, at its own expense:

- a. General liability insurance covering any injury caused by act or omission on the part of the Subgrantee, its officers, agents and employees in performance of or with relation to any of the work or services performed or furnished by the Subgrantee under the terms of this Agreement in an amount of not less than \$2,000,000.00 per occurrence and aggregate, and will not exclude explosion, collapse, and underground property damage, and not contain an “aggregate” policy limit unless specifically approved in writing by the Authority.
- b. Automobile liability insurance, if applicable, covering any injury caused by act or omission on the part of the Subgrantee, its officers, agents and employees in performance of or with relation to any of the work or services performed or furnished by the Subgrantee under the terms of this Agreement with minimum coverage in the amount of \$600,000.00 per person and \$1,000,000 per occurrence covering hired, non-owned and owned automobiles.
- c. Umbrella or Excess Liability Coverage. (unless specifically waived in the Statement of Work/Scope of Services) providing additional coverage beyond the limits of general liability and automobile coverages set forth above, in the amount of not less than \$1,000,000.00.
- d. Workers' compensation insurance with not less than statutory minimum limits and unemployment compensation as required by law.
- e. Employers' liability insurance with minimum limits of at least \$100,000.00 per accident and with a Minnesota endorsement;
- f. The general liability and automobile liability coverages must contain an endorsement naming the Authority as an additional insured as to acts committed by the Subgrantee for which the Authority could be held responsible. The automobile liability policy must apply to any vehicle used in connection with the performance of this Agreement by the Subgrantee.
- g. The Subgrantee will furnish Certificates of Insurance evidencing compliance with this Section. Each insurance policy will contain a provision requiring thirty (30) days' notice of cancellation of the policy. The Authority will not be obligated to honor payment requests at any time when the coverages required by this Agreement are not in force.
- h. Each coverage afforded to the Authority as an additional insured under this policy expressly includes the duty to defend and the duty to indemnify. As evidence of this commitment, all Certificates of Insurance referenced in this Agreement will include in the section labeled “Description/Special Items”, typically in the lower left-hand corner of the document, the following language: “Each coverage afforded to the Authority as an additional insured under this policy expressly includes the duty to defend and indemnify.”

5. **Indemnification.** Except for any willful misrepresentation or any willful or wanton misconduct of the Authority, or its officers, employees or agents, the Subgrantee will indemnify, hold harmless, protect and defend the Authority, its officers, employees or agents, from all suits, actions or claims of any character whether such suits or actions arise out of the acts or omissions of Subgrantee, its agents or employees, or the Authority, or its officers, employees or agents, on account of Subgrantee and/or the Authority attempting or carrying out the terms of this Agreement.
6. **Grant Agreement.** The Subgrantee will comply with all requirements and conditions of the Grant Agreement applicable to the Project that, by their nature, must be performed by the Subgrantee rather than the Authority and that are conditions of award of funds under the Grant Agreement. Nothing in this Agreement shall be deemed an exception from, or alteration of, the requirements of the Grant Agreement. The Subgrantee will take all other actions as are needed to ensure compliance with the Grant Agreement and provide such information and assistance to the Authority as may be needed to ensure the Authority can comply with the requirements of the Grant Agreement that, by their nature, must be performed by the Authority rather than the Subgrantee.
7. **Termination.** This Agreement may be terminated by the Authority for cause at any time upon fourteen (14) calendar days' written notice to the Subgrantee. Cause shall mean a material breach of this Agreement. If this Agreement is terminated prior to the Expiration Date, the Subgrantee shall receive payment on a pro rata basis for eligible Grant Eligible Activities that have been completed prior to the termination. Termination of this Agreement does not alter the Authority's ability to recover grant funds on the basis of a later audit or other review and does not alter the Subgrantee's obligation to return any grant funds due to the Authority as a result of later audits or corrections. If the Foundation determines the Authority or the Subgrantee has failed to comply with the terms and conditions of this Agreement, the Authority may take any action to protect the Authority's interests and may refuse to disburse additional grant funds and may require the Subgrantee to return all or part of the Subgrant funds already disbursed.

8. **Representations of the Subgrantee.**

- a. The Subgrantee a nonprofit corporation duly organized and in good standing under the laws of the State of Minnesota, is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 whose income is exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986.
- b. The Subgrantee will provide evidence satisfactory to the Authority that the Subgrantee has established a separate accounting system for the exclusive purpose of recording the receipt and expenditure of the Subgrant.
- c. The Subgrantee will provide such evidence as Authority may require as to its compliance with all applicable laws, codes, rules, regulations and ordinances.
- d. The Subgrantee agrees that the execution and delivery of this Agreement, and the performance by Subgrantee of its obligations hereunder, do not and will not violate or conflict with any provision of law and do not and will not violate or conflict with, or cause any default or event of default to occur under, any agreement binding upon the Subgrantee.

e. The Subgrantee represents and agrees that the execution and delivery of this Agreement has been duly approved by all necessary action of the Subgrantee, and this Agreement has in fact been duly executed and delivered by the Subgrantee and constitutes its lawful and binding obligation, legally enforceable against it.

f. The Subgrantee agrees that it will keep and maintain books, records, and other documents relating directly to the receipt and disbursement of proceeds of the Subgrantee and that any authorized representative of Authority, with reasonable advance notice, may have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of Subgrantee related to the Subgrant for 6 years after the date hereof.

g. To the best of the Subgrantee's knowledge, the Subgrantee has fully complied with all applicable state and federal laws pertaining to its business and will continue to comply throughout the term of this Agreement. If at any time the Subgrantee receives notice of noncompliance from any governmental entity, the Subgrantee agrees to notify Authority of such noncompliance and take any necessary action to comply with the state or federal law in question.

h. The Subgrantee will not discriminate against any person or family on the ground of race, color, age, national origin, sex, religion, or family status. The Subgrantee will comply with all federal, state and local laws prohibiting discrimination on the basis of age, sex, marital status, race, creed, color, national origin or the presence of any sensory, mental or physical handicap, or any other basis now or hereafter prohibited by law. The Subgrantee will not discriminate, or allow any contractor, subcontractor, union or vendor engaged in any activity in connection with the Subgrant Activities, to discriminate against any employee or applicant for employment in connection with the Subgrant Activities because of age, marital status, race, creed, color, national origin, or the presence of any sensory, mental or physical handicap, except when there is a bona fide occupational limitation and will take affirmative action to insure applicants and employees are treated equally with respect to all aspects of employment, rates of pay and other forms of compensation, and selection for training.

i. The members, officers and employees of the Subgrantee shall comply with all applicable state statutory and regulatory conflict of interest laws and provisions. The Subgrantee shall adopt and maintain a conflict of interest policy.

j. The accounts and records of the Subgrantee described in paragraph (l) above shall be audited in the same manner as all other accounts and records of the Subgrantee and may, for a period of six (6) years following the Termination Date, be inspected on the Subgrantee's premises by the Authority or individuals or organizations designated by the Authority, upon reasonable notice thereof to the Subgrantee. The books, records, documents and accounting procedures relevant to this Agreement are subject to examination by the State Auditor in accordance with Minnesota law.

SECTION V. GENERAL TERMS AND CONDITIONS

- 1. Independent Contractor.** For the purpose of this Agreement, the Subgrantee is deemed to be an independent contractor and not an employee of the Authority. Any and all employees of the Subgrantee

or other persons while engaged in the performance of any work or services required by the Subgrantee under this Agreement, will not be considered employees of the Authority. Any and all claims by any third party as a consequence of any act or omission on the part of the Subgrantee, its employees or other persons will be the obligation of the Subgrantee. The Subgrantee will be responsible for all contractual obligations entered into pursuant to and in the performance of this Agreement. If required by statute, the Subgrantee will procure and maintain in force at its expense worker's compensation insurance and will provide the Authority with proof of such coverage. Withholding and payment of federal and state income taxes and FICA, for its employees will be the responsibility of the Subgrantee. The Subgrantee will pay contributions to the unemployment compensation fund and comply with all other employer requirements in accordance with the Minnesota unemployment compensation laws.

- 2. Non-Discrimination.** The Subgrantee will be deemed a contractor for the application of all provisions, ordinances and other laws against discrimination, including:
 - a.** Title VI of the Civil Rights Act of 1964 (Public Law 88-352);
 - b.** Executive Order No. 11246 entitled "Equal Employment Opportunity" as supplemented in the Department of Labor Regulations (41 CFR Chapter 60); and
 - c.** Chapter 363A, Minnesota Statutes.
- 3. Compliance With Applicable Law.** The Subgrantee shall comply with all federal, state and local laws or ordinances, and all applicable rules, regulations and standards established by any agency of such governmental units, insofar as they relate to the Subgrantee's performance of the provisions of this Agreement.
- 4. Permits, Bonds and Approvals.** The Subgrantee is responsible for obtaining any applicable local, state or federal licenses, permits, bonds, authorizations, certifications or approvals necessary to perform or complete the Grant Eligible Activities . The Subgrantee must comply with all applicable licensing, permitting, bonding, authorization and approval requirements of federal, state and local governmental and regulatory agencies, including conservation districts. The Subgrantee shall comply with all applicable state and federal law.
- 5. Data.** The Subgrantee shall abide by Chapter 13, Minnesota Government Data Practice Act (MGDPA). All data created, collected, received, stored, used, maintained, or disseminated by the Subgrantee in performing functions under this Agreement may be subject to the requirements of the MGDPA and Subgrantee agrees to comply with the MGDPA as applicable. If any provision of this Agreement conflicts with the MGDPA or other Minnesota state laws, state law shall control. The Subgrantee agrees to hold the City, its officers, and employees harmless from any claims resulting from the Subgrantee's unlawful disclosure or use of data protected under state or federal laws, regardless of the limits of insurance coverage. The Subgrantee's duties and obligations within this section shall survive the expiration of this Agreement.
- 6. Default.** One or more of the following will constitute an Event of Default under this Agreement:
 - a.** Subgrantee defaults in the performance or observance of any agreement, covenant or condition required to be performed or observed by Subgrantee under the terms of this Agreement, and

such default is not remedied within thirty (30) days after written notice to Subgrantee from the Authority specifying such default; provided, however, if the default cannot reasonably be cured within thirty (30) days, an Event of Default shall not occur if Subgrantee in the reasonable opinion of the Authority diligently pursues a remedy within said 30-day period.

- b. Any representation or warranty made by Subgrantee herein or any document or certificate furnished to the Authority in relation to this Agreement proves at any time to be incorrect or misleading as of the date made.
- c. Subgrantee engages in any illegal activities.
- d. Subgrantee uses any of the Subgrant funds contrary to this Agreement or the Grant Agreement.
- e. Subgrantee employs or becomes an individual, company, or other entity either on the State debarment list or with unresolved compliance issues.
- f. Subgrantee fails to obtain and/or keep in force insurance of the types and in the amounts as specified within this Agreement or fails to indemnify and hold harmless the Authority as set forth herein.
- g. Subgrantee fails to comply with the Grant Agreement.

7. **Remedies**. When any Event of Default occurs, any one or more of the following remedial steps may to the extent permitted by law be taken:

- a. The Authority may, at its option, terminate this Agreement, declare the amount of the Subgrant funds that have been expended on Grant Eligible Activities to be immediately due and payable whereupon the same will become immediately due and payable by the Subgrantee;
- b. The Authority may take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, covenant, representation or warranty of the Subgrantee under this Agreement, or any related instrument; or to otherwise compensate the Authority for any damages on account of such Event of Default;
- c. No remedy conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy will be cumulative and will be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default will impair any such right or power or be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article, it will not be necessary to give any notice, other than such notice as may be herein expressly required or be required by law.

8. **Amendments.** This Agreement will not be amended without a written agreement signed by both parties. Amendments, modifications or additional schedules may not be construed to adversely affect vested

rights or causes of action which have accrued prior to the effective date of such amendment, modification, or supplement. The term "this Agreement" as used herein is deemed to include any future amendments, modifications, and additional schedules made in accordance herewith.

9. Assignment. The Subgrantee binds itself and its successors, legal representatives, and assigns, with respect to all covenants of this Agreement, and shall not assign or transfer its interest in this Agreement without the written consent of the other.

10. Conflict of Interest. The officers and employees of the Subgrantee shall comply with all applicable state statutory and regulatory conflict of interest laws and provisions.

11. Authorized Agent and Notice. Except as otherwise provided in this Agreement, payment request forms, written reports and correspondence submitted to Authority pursuant to this Agreement shall be directed to the Authority Authorized Agent named in this section or their successor. Any notice or demand to be given under this Agreement by any party must be delivered in person, sent by certified United States Mail, or via electronic mail with Return Receipt Requested, address to the individuals and addresses below:

Authority:

Grand Rapids Economic Development Authority
420 N. Pokegama Ave
Grand Rapids, MN 55744
Attention: Executive Director

Subgrantee

Grand Rapids Downtown Alliance, Inc.
c/o Grand Rapids Area Community Foundation
350 NW 1st Avenue, Suite E
Grand Rapids, MN 55744
Attention: Chair

12. Counterparts. The parties may sign this Agreement in counterparts, each of which constitutes an original, but all of which together constitute one instrument.

13. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties further agree that any document (including this Agreement and any attachments or exhibits to this Agreement) containing, or to which there is affixed, an electronic signature shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "electronic signature" also means a manually signed original signature that is then transmitted by any electronic means, including without limitation a faxed version of an original signature or an electronically scanned and transmitted version (e.g., via PDF) of an original signature. Any party's failure to produce the original signature of any electronically transmitted signature shall not affect the enforceability of this Agreement.

IN WITNESS WHEREOF, the Authority and the Subgrantee have caused this Agreement to be executed by their duly authorized representatives.

**GRAND RAPIDS
ECONOMIC DEVELOPMENT AUTHORITY**

**GRAND RAPIDS DOWNTOWN
ALLIANCE, INC.**

By: _____

By: _____

Title: Executive Director

Title: _____

By: _____

Title: President

EXHIBIT A

FORM OF GRANT AGREEMENT

EXHIBIT B

DRAW REQUEST

Grand Rapids Economic Development Authority
420 N. Pokegama Ave
Grand Rapids, MN 55744

DISBURSEMENT DIRECTION

The undersigned authorized representative (the “Authorized Representative”) of Grand Rapids Downtown Alliance, Inc. (the “Subgrantee”), hereby authorizes and requests you to disburse from proceeds of the Subgrant in accordance with the terms of the Subgrant Agreement, dated _____, 2025 (the “Agreement”), between the Grand Rapids Economic Development Authority (“Authority”) and the Subgrantee, the following amount to the following person and for Grant-Eligible Costs:

1. Amount: _____
2. Purpose: _____

all as defined and provided in the Agreement. Attached hereto are true and accurate copies of all invoices or other documentation for all Grant Eligible Expenditures for the previous six months. The undersigned further certifies to the Authority that (a) each item for which the payment is proposed is a Grant Eligible Costs; (b) that the Subgrantee is in full compliance with the Agreement; and (c) the budget attached as Exhibit A hereto is an accurate representation of the Subgrantee’s expected expenditures and sources of payment for the next 6 months.

Dated: _____

Subgrantee’s Authorized Representative

EXHIBIT A

BUDGET

EXHIBIT B
PRIOR 6 MONTHS GRANT ELIGIBLE EXPENDITURES