

AGENDA
CITY COUNCIL MEETING
June 24, 2015
6:30 P.M.

- A. 6:30 Call to Order
- B. Roll Call
- C. Open Forum
The public is invited to speak at this time. Open Forum is limited to one half-hour. No person may speak more than five (5) minutes or more than once. Each subject will have a limit of ten (10) minutes. Council members may ask questions of the speaker. With the agreement of the Council, such matters taken up during the open forum may be scheduled on the current agenda or a future agenda.
- D. 6:35 Approve Consent Agenda
 - 1. Approve Agenda
 - 2. Approve Meeting Minutes
 - 3. Approve Payment of Bills
 - 4. North Shore Federal Credit Union Street Permit
- E. 6:40 Active Living Plan Report
- F. 7:10 Moving Matters Service Contract
- G. 7:15 Resolution 2015-11 Correcting Legal Description
- H. 7:20 Park Hires
- I. 7:25 Resolution 2015-12 Supporting Region Trail Designation for Cook County Mountain Bike Trails
- J. 7:35 Other items as necessary
- K. 7:45 Council & Staff Reports
- L. Attached correspondence:
 - 1. Other Meeting Minutes
 - 2. Upcoming Meeting Schedule
- M. 8:00 Adjourn

*CITY OF GRAND MARAIS
MINUTES
June 10, 2015*

Mayor Arrowsmith-DeCoux called the meeting to order at 6:30 p.m.

Members present: Jay Arrowsmith-DeCoux, Dave Mills, Anton Moody, Tim Kennedy and Tracy Benson

Members absent: None

Staff present: Mike Roth, Kim Dunsmoor and Chris Hood

Mayor Arrowsmith-DeCoux invited the public to speak during a period of open forum. Open Forum is limited to one half-hour. No person may speak more than 5 minutes or more than once. No one spoke.

Motion by Moody, seconded by Mills to approve the Agenda with addition of the Lion's Club Application for Exempt Permit to conduct a raffle drawing August 2, 2015 as part of the Consent Agenda; and additions of Joint City County School Tribe Meeting, Toilets, Garage, Assisted Living RFP and City Building Update; May 27, 2015, Minutes with correction; Payment of Bills; and Visit Cook County's Fourth of July Parade. Approved unanimously.

Deborah Morse-Kahn, MA presented her request to apply for a Minnesota Historical and Cultural Heritage Legacy Grant Application supported by the City of Grand Marais. It is her hope to create a photographic index now while many of the city's residential and commercial buildings remain intact as originally built, or still display the original exterior despite recent identifiable additions. The survey is intended as a gift to the city to assist planning, to the county historical society as an important archival document and gift for in-kind assistance, and to the State Historic Preservation Office files. Further use of the digital imagery is limitless, including educational programming and new publication development. If a historical building is going to be torn down, it should give the community a moment of pause or public comment period. Morse-Kahn asked the city to apply for a \$10,000 grant for this project and \$2,000 of in-kind time. The city questioned the ability to provide \$2,000 of in-kind match for this project.

Motion by Kennedy, seconded by Mills to apply for the Minnesota Historical and Cultural Heritage Legacy Grant on behalf of Regional Research Associates, LLC supported by the City of Grand Marais as fiscal agent without obligating the City of Grand Marais for any in-kind match. Approved unanimously.

The EDA has suggested changing the zoning for a portion of the business park along the west edge to allow accessory residential uses. The Planning Commission intends to move forward with a public hearing to consider a possible zoning ordinance amendment at their next meeting July 1st.

The Planning Commission revisited the issue of vacation rentals in the residential zone. Three directions were contemplated: reaffirming the existing rules, considering ordinance amendments that establish a permitting process and rules of operation or considering allowing vacation rentals in certain circumstances. The Planning Commission decided that the proper course is to reaffirm

the existing rules that vacation rental is not an approved use in the R-1 zone. There was some concern that the vacation rental is incompatible with residential neighborhoods. There was also acknowledgment that zones already exist in the City to provide for vacation rentals. Finally, the Commission was not comfortable considering any changes to this when the public has not asked for these changes. There are likely vacation rentals already operating in the residential zone. The Planning Commission recommendation would suggest that as we become aware of these, we will communicate with the owner that the use is not allowed and will need to be discontinued.

Motion by Moody, seconded by Mills to hire Dene Taylor as Seasonal Park Maintenance Worker. Approved unanimously.

Motion by Arrowsmith-DeCoux, seconded by Benson to approve Tobacco Licenses for Buck's Hardware Hank, Gene's IGA, Grand Marais Superamerica, Gunflint Tavern and Mike's Holiday. Approved unanimously.

The last quarterly Joint City County School Tribe meeting did not happen. The City will offer to host a rescheduled meeting.

Public Restrooms were discussed with suggestions for composting toilets and unisex toilets with a combined watering trough for hand washing.

CR-BPS spent 4-5 hours touring the City Hall complex in detail on June 2nd. We expect that the report will take 2-3 weeks to complete.

A worksession was scheduled for Monday, June 15th at noon- 1 p.m., to discuss garages.

Councilor Moody's Report:

- 1) The EDA Workforce Housing Committee meets every Thursday morning at 7:00 a.m. Distributed the Case Study of Breckenridge, Colorado Impact of Affordable Workforce Housing on Community Demographics, Economies, and Housing Prices and Options.

Mayor Arrowsmith-DeCoux's Report:

- 1) CCLEP is developing a Solar Tool Kit with all the information needed to connect to solar. The Mayor's place is a pilot case.
- 2) Sent a letter to all the potential District Heating Customers thanking them for their time and consideration and informing them that the project has been paused due to low fuel prices.
- 3) The Library dedicated the sculpture on Friday, June 5th.
- 4) The Library is preparing their budget and the financial committee is looking to increase staffing levels.
- 5) Arrowsmith-DeCoux will serve on the Cook County Emergency Operations Plan.
- 6) Visit Cook County and the Snowmobile Club are looking at ways to improve the snowmobile access in town.
- 7) Arrowhead Animal Rescue is looking for council participation at their meetings.
- 8) RFP's for Senior Care were considered. The group of stakeholders met with one company that responded to the RFP. A second company considered did not come to meet

with the group in person. The group needs to consider the purpose of a market study such as wanting to have better care for seniors and give ourselves more resources. The group will meet with a representative from the state association and identify a structure for an RFP.

Councilor Mill's Report:

- 1) The Grand Marais Music Collaborative received a permit from the Park Board to allow busking.
- 2) The Park Board discussed the property damage and alcohol problems associated with the Fisherman's Softball Tournament. Walt Mianowski will talk with the Lion's Club.
- 3) YMCA is doing some fundraising and is working on their budget. They will negotiate with the Duluth YMCA regarding the fees it receives from Cook County memberships. The Duluth YMCA has been receiving more Cook County fees than was originally expected based on the current arrangement.
- 4) The Northwoods Food Survey is ongoing.

There being no further business, the meeting adjourned at 8:42 p.m.

05/11/2015 13:18

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GRAND MARAIS CITY OF

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WLB

APPLICATION FOR USE OF STREET AND SIDEWALKS

CHECK ONE:

Residues _____ Flowers _____ Community Event X

Miscellaneous _____ Describe: Member Appreciation Cookout

Name and address of applicant or organization, charitable, veterans, community or non-profit group:

North Shore Federal Credit Union

122 E. Hwy 61

Grand Marais MI 49734

Contact Person:

Phone Number:

Tanya Eliason

218-387-1312 ext 220

Description of request or event:

Annual Brot Cookout, Food, prizes + children's activities for credit union members

Date of Event:

Length of Event:

7/16/15

3 hours

Time of Event:

11am - 2pm

Location of Event:

Credit Union parking lot + side street (E. 2nd Ave)

Assistance requested of the City or PUC:

Request the City to provide, deliver, + pickup the wooden barriers to block ends of street

Signature

Tanya Eliason

Date

6-11-15

Approved: _____

Not Approved: _____

Fee: Paid _____

Waived _____

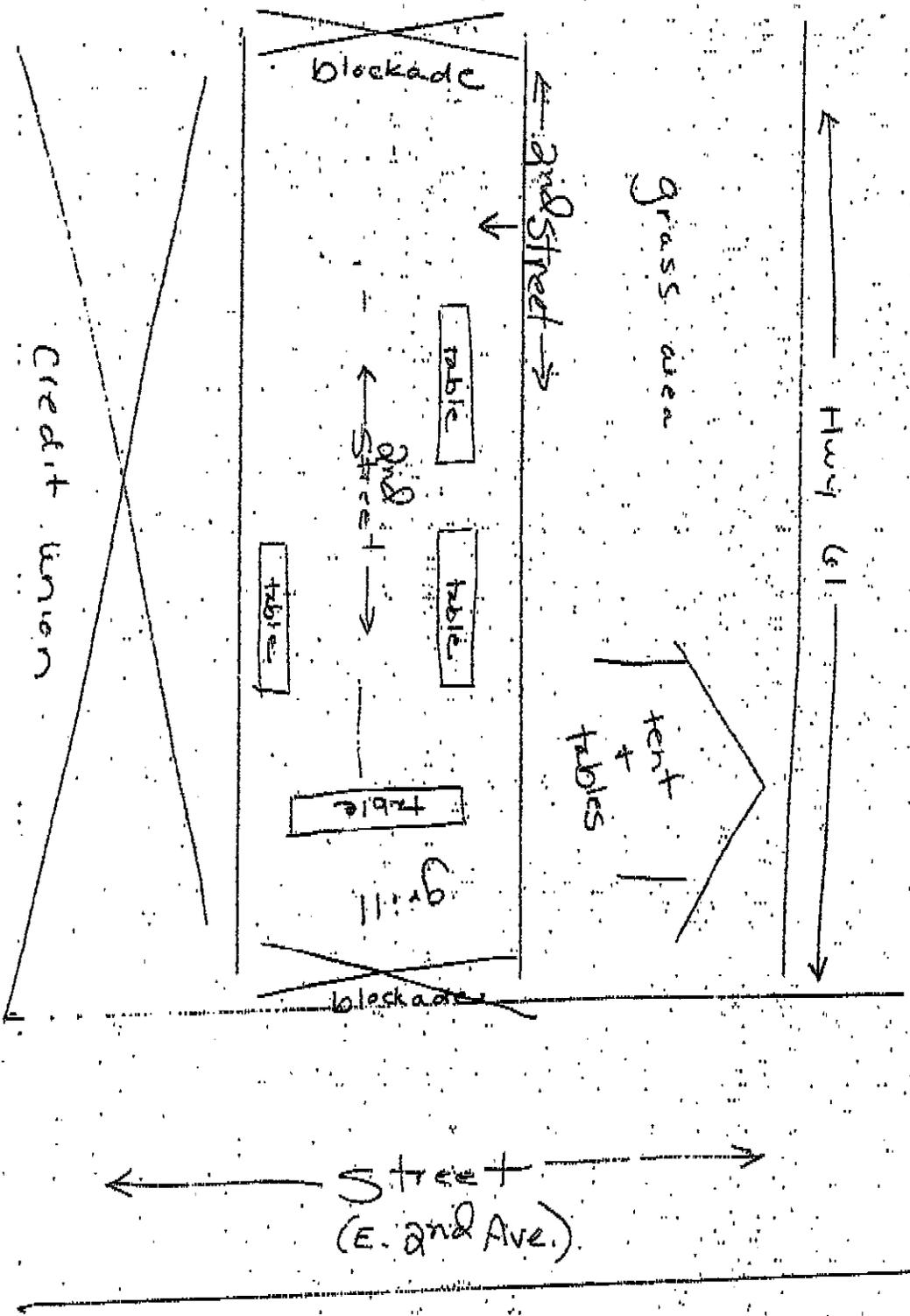
Insurance (\$500,000): Proof naming City as additional insured _____

Waived in whole _____

Waived in part _____

Additional anticipated costs or expenses to City or PUC _____

Additional Council restrictions _____



City of Grand Marais

MEMO

TO: Mayor Arrowsmith DeCoux
City Council Members
FROM: Michael J. Roth, City Administrator
DATE: June 5, 2015
SUBJECT: Contract with Moving Matter Project

Sawtooth Mountain Clinic received a grant from Blue Cross Blue Shield for the Moving Matters project. A portion of the grant was designated to fund the Highway 61 design. The City hired Aune Fernandez Landscape Architects to lead the design work with an agreement for \$30,000 in financial support from Moving Matters.

Blue Cross is requiring the clinic to provide contracts for all of the work associated with the grant that pass on the grant requirements to the subcontractors. In this case the City is a subcontractor providing the design work.

The attached contract is the form which Blue Cross is asking to see. Please approve the contract. Since we have already provided the required work in accordance with the grant requirements, this contract should be of little concern to the City,



Sawtooth Mountain Clinic

**Subcontract for Highway 61 Revisited Planning and Design
for the Moving Matters project of the Sawtooth Mountain Clinic**

*Moving Matters project is funded by a contract from Prevention Minnesota/BCBS to the Sawtooth Mountain Clinic, Inc.

Contract Term: April 8, 2015 – June 30, 2015

Contracting Agency: Sawtooth Mountain Clinic, Inc.

Scope of Work: The City of Grand Marais (“the City”) will hire LHB, Inc. to conduct a project visioning and concept design process for Highway 61. The City will be a contractor and not an employee of the Sawtooth Mountain Clinic or Blue Cross and Blue Shield of Minnesota. The City will implement Highway 61 revisited in partnership with Moving Matters staff. The City is expected to comply with the attached terms from Blue Cross and Blue Shield of Minnesota and to inquire with Sawtooth Mountain Clinic if a question arises regarding the terms.

Total Compensation not to exceed \$30,000

Rita Plourde, CEO Sawtooth Mountain Clinic

Date

, City of Grand Marais

Date

1. SERVICES AND PERSONNEL

1.1 In the event of any ambiguity or conflict between any of the terms and conditions contained in this Agreement and the terms and conditions contained in a Schedule, as such Schedule might be amended by a Change Order, the terms and conditions of this Agreement will control, unless the parties have expressly provided in such Schedule that a specific provision in this Agreement is amended, in which case this Agreement will be so amended, but only with respect to such Schedule. Nothing in this Agreement will be construed as precluding or limiting in any way the right of Blue Cross to obtain from, or provide to, any person or entity, such products, deliverables, consulting or other services of any kind or nature whatsoever as Blue Cross in its sole discretion may deem appropriate from time to time.

1.2 Either Blue Cross or Consultant may from time to time request modifications or supplements to an existing Schedule to provide for additional Services or to change the scope of Services by submitting to the other party a written change order request ("**Change Order Request**") labeled as such. After receipt of a Change Order Request from Blue Cross, or in conjunction with making a Change Order Request if made by Consultant, Consultant shall provide Blue Cross with a written statement ("**Change Order**") substantially in the form of Exhibit "1" attached hereto setting forth (a) the nature of the Change Order Request and specifically referencing the Schedule to which it is applicable, (b) the cost and timing to effect same, (c) the affect upon the related Schedule of implementing the Change Order, and (d) such other information as Consultant deems material. After submission of a Change Order to Blue Cross, Blue Cross will endeavor to accept or reject same within ten (10) business days of Blue Cross' receipt thereof; provided, .however, that (i) the failure of Blue Cross to either accept or reject any Change Order in writing within said time period will be deemed to be a rejection of said Change Order, and (ii) Blue Cross is not obligated to accept any Change Order. A Change Order will become effective only upon the written acceptance of such Change Order by Blue Cross and Consultant as evidenced by their respective signatures thereon.

1.3 Blue Cross shall accept or reject all Deliverables in writing within the "**Acceptance Period**" specified in the respective Schedule. To the extent (a) Blue Cross provides Consultant written "Notice of Acceptance" of Deliverables substantially in the form of Exhibit "2" attached hereto, or (b) Blue Cross fails to reject one (1) or more Deliverables within the Acceptance Period specified in the respective Schedule, then for all purposes under this Agreement such Deliverables will be deemed accepted ("**Accepted**") and subject to the warranties provided in this Agreement and additional warranties, if any, provided in the respective Schedule or Change Order(s) thereto. Consultant shall submit all Deliverables set forth in the respective Schedules or Change Orders to Blue Cross at the

time or times specified therein. In the event Blue Cross provides Consultant written **"Notice of Rejection"** of Deliverables substantially in the form of Exhibit "3" attached hereto, and which will include sufficiently meaningful detail so as to inform Consultant of the reason(s) for rejection with respect to the specifications and requirements set forth in the applicable Schedule or Change Order, Consultant shall, at Consultant's sole cost and expense, cure or otherwise remedy any nonconformance in rejected Deliverables so as to make such Deliverables conform and comply with all such specifications and requirements and re-deliver such Deliverables to Blue Cross within the **"Rejection Cure Period"** specified in the respective Schedule. If at any time Consultant becomes aware of any material noncompliance of a Deliverable with respect to any requirements and/or specifications set forth or otherwise provided for in the respective Schedule, Consultant shall promptly notify Blue Cross of such noncompliance of any Deliverable, even if after the Deliverable has been Accepted by Blue Cross, but such notification will not be deemed to require Consultant to cure or remedy such noncompliance if the notice is given after the applicable warranty period.

1.4 Consultant will furnish qualified principals or employees (each an **"Employee"**) to perform the Services at the times and location(s) designated by Blue Cross. Consultant is responsible for overseeing and managing the tasks and functions for the Services provided under this Agreement. Consultant shall not subcontract with any third party for the performance of any Services to be provided Blue Cross without in each instance obtaining the prior written consent of Blue Cross to Consultant's use of such third party subcontractor and the subcontractor's individual personnel proposed to be assigned to perform Services, which consent may be withheld in Blue Cross' sole and absolute discretion. Such third party subcontractor and the subcontractor's individual personnel for whom Blue Cross' prior written consent may subsequently be given are hereafter referred to as **"Permitted Subcontractors"**. Consultant shall require each such Permitted Subcontractor to agree in writing to perform in accordance with, and subject to, the terms of this Agreement prior to the performance of Services by such Permitted Subcontractor. Consultant will make reasonable efforts to honor specific requests by Blue Cross with regard to the individuals, including replacements thereof, who are assigned and any other aspect of obtaining the desired results under this Agreement. Prior to replacing any individual assigned to perform Services with other individuals, Consultant agrees to provide Blue Cross written notice of Consultant's intent to make the replacement and the opportunity to review and comment on the qualifications of the proposed replacement. Notwithstanding any other provision to the contrary, if at any time any individual assigned to perform Services is deemed, in Blue Cross' reasonable judgment, to be unacceptable to Blue Cross, Consultant shall, upon receiving notice from Blue Cross, promptly replace the individual

with an individual acceptable to Blue Cross, but in no event later than seven (7) days after Consultant's receipt of Blue Cross' notice. At no additional cost to Blue Cross, the specified time for Services and/or Deliverables to be provided may be extended by Blue Cross for a time period equal to the time period commencing on the date of Blue Cross' notice and ending on the date a replacement individual has been accepted by Blue Cross.

1.5 When Services are to be provided at Blue Cross' site, Blue Cross shall provide Consultant's onsite

Employees and Permitted Subcontractors with temporary office space, local telephone service (excluding long distance charges), copying and general office supplies which may reasonably be necessary to facilitate Consultant's performance of the Services. Blue Cross will provide Consultant's on-site Employees and Permitted Subcontractors with such limited access to Blue Cross' computer systems as is determined by Blue Cross in its sole discretion to be necessary for the performance of Services, subject to, and conditioned upon Consultant's and each of its Employees and Permitted Subcontractors' compliance with Blue Cross' Corporate Information Security Policies and related procedures, as amended by Blue Cross from time to time. Consultant will ensure that its Employees and Permitted Subcontractors will, whenever on Blue Cross' premises, comply with all reasonable instructions, protocols and directions issued by Blue Cross, including its ban on firearms and all other weapons in all buildings which Blue Cross owns or leases.

1.6 Prior to assigning any Consultant Employee or Permitted Subcontractor personnel to perform Services under a Schedule, Consultant shall provide the Blue Cross Purchasing Department with written documentation which shall identify each Consultant Employee and each Permitted Subcontractor personnel who are not U.S. citizens and shall also identify such non-U.S. citizens' country of origin. Consultant shall provide such documentation via email to:

corporate_purchasing@bluecrossmn.com. Blue Cross reserves the right to restrict access of, and impose work limitations on, any person who is not a U.S. citizen, and if necessary to perform the Services, Consultant may be required to furnish alternate Employees and/or Permitted Subcontractors.

1.7 Consultant assumes responsibility for determining the means and performance for gathering any necessary authorizations and records to conduct criminal history background checks on all persons it assigns to perform Services. Consultant shall make written inquiry of all such personnel assigned to Blue Cross and maintain copies of the written responses. Such background checks will be performed by a third-party background screening provider, and will include, without limitation, a search of court records and the individual's criminal history where such individual has lived, worked and/or attended school during the most recent seven (7) years. Such background check will identify whether, within

the past seven (7) years, the individual has: (a) been convicted of or has pled guilty or no contest (nolo contendere) to a felony or misdemeanor involving any crime of violence, (b) any sexual offense or (c) any conduct involving dishonesty, breach of trust, burglary, larceny, robbery, or conspiracy to commit any of these offenses, or substantially equivalent activity, in a domestic, military or foreign court. Any person with any such felony record will be ineligible to perform Services. Consultant shall promptly notify Blue Cross any subsequent felony charges, pleas or convictions of persons assigned to provide Services. Any person who subsequently acquires such felony record will be ineligible to perform Services. Consultant further agrees that any person assigned to Blue Cross who subsequently acquires a felony record of any kind may be ineligible to perform Services, as determined by Blue Cross in its sole discretion and in accordance with its obligations under the federal Violent Crime Control Act as it relates to persons engaged in the business of insurance. Consultant shall ensure ongoing compliance with this requirement for all individuals assigned to perform Services. No person who has initially completed the background check may be reassigned to Blue Cross unless the background check has been repeated within twelve (12) months prior to the date of being reassigned to Blue Cross. Upon reasonable request by Blue Cross, Consultant shall produce documentation of its compliance with these requirements.

1.8 Consultant shall comply, and shall ensure that Permitted Subcontractors, if any, comply, with the U.S. Department of Homeland Security E-Verify procedures to verify the employment eligibility of (a) all new employees of Consultant hired during the term of this Agreement to perform duties within the United States and (b) all existing employees of Consultant assigned to perform Services under this Agreement within the United States and hired on or after November 7, 1986, in each case except for (i) employees who hold an active security clearance of confidential, secret, or top secret; (ii) employees who have undergone a complete background investigation under Homeland Security Presidential Directive (HSPD)-12 or the National Industrial Security Program Operating Manual (NISPOM), and who have been issued credentials under either of those programs; and (iii) employees who perform support work, such as indirect or overhead functions, and do not perform any substantial duties with respect to this Agreement. Consultant shall provide Blue Cross with written certification of Consultant's and any Permitted Subcontractor's compliance prior to performing any Services. Consultant acknowledges that Blue Cross may periodically require recertification by Consultant and Permitted Subcontractors.

2. TERM AND TERMINATION

2.1 This Agreement is effective for a term ("**Term**") commencing on the Start Date and continuing until the End Date, or until the contracted Services have been completed, or the maximum dollar

amount has been reached, whichever occurs first, except that this Agreement will continue to remain in effect with respect to any Schedules then in effect on the date of termination or End Date until the date on which such Schedules are themselves terminated.

2.2 Either party may terminate this Agreement for convenience on not less than thirty (30) days prior written notice to the other party; provided, however, that (a) this Agreement shall continue to remain in effect with respect to any Schedules then in effect on the date of termination as specified in the notice, until the date on which such Schedules are themselves terminated, and (b) any Schedule may be terminated or expire in accordance with its terms without terminating any other Schedule.

2.3 Blue Cross may terminate any Schedule(s) for convenience, in whole or in part, at any time by giving Consultant written notice thereof not less than fourteen (14) days prior to the effective date of such termination and Consultant's sole and exclusive remedy shall be limited to payment (on a prorata basis if fixed fee) for Services rendered and expenses properly incurred through the date of termination.

2.4 A party may terminate this Agreement and/or any Schedule(s) immediately in the event of a material breach of this Agreement and/or any Schedule(s) by the other party, which breach remains uncured for a period of ten (10) days after written notice reasonably specifying the nature of the breach is given to the breaching party.

2.5 A party may terminate this Agreement immediately in the event the other party (a) becomes insolvent, is dissolved or liquidated; (b) files or has filed against it a petition in bankruptcy and such petition is not dismissed within sixty (60) days of the date of filing; (c) makes a general assignment for the benefit of its creditors; (d) directly or indirectly sells, conveys, assigns, transfers, disposes of, merges, or consolidates substantially all of its assets or business with any other person or entity; or (e) ceases conducting business in the ordinary course.

2.6 In the event of termination of this Agreement for any reason, Consultant shall deliver to Blue Cross (a) all Deliverables prepared to date under this Agreement (b) all Confidential Information of Blue Cross, (c) all other property and assets of Blue Cross, and (d) Consultant's written certifications to Blue Cross of Consultant's return of the foregoing. Except in the event of termination by Blue Cross due to an uncured breach by Consultant, Consultant shall be paid for Services provided through the date and time of termination.

3. CHARGES

3.1 Blue Cross shall pay Consultant at the rate specified in the applicable Schedule for the Services outlined therein. All such amounts will be stated and payable in U.S. dollars. Consultant shall invoice Blue Cross in accordance with Article I, Section 6 of this Agreement and Blue Cross shall remit

payment to Consultant within the time period specified in Article I, Section 6.3 of this Agreement.

3.2 Consultant shall add to any charges payable by Blue Cross under this Agreement, amounts equal to any U.S. state and local excise, sales, use taxes and any taxes or amounts in lieu thereof paid or payable by Consultant in connection with this Agreement, any Schedule or the Services, but excluding taxes that are (a) based upon the net income of Consultant, and/or (b) imposed by any foreign country or authority. Consultant shall file all returns and other documentation and pay all such taxes payable by Consultant to the relevant taxing authority.

3.3 Consultant is solely responsible for paying its Employees and any Permitted Subcontractor for Services performed under this Agreement. In no event will Blue Cross be liable to Consultant's employees or Permitted Subcontractor for payment for any Services provided under this Agreement. Blue Cross is not liable to pay or reimburse any type of expense which is not listed in this Agreement unless otherwise agreed upon in writing and signed by the parties. Consultant assumes responsibility for the timely payment of all income tax, unemployment and workers' compensation insurance, and all other employment-related taxes arising out of the performance of Services.

3.4 TIME REPORTING AND PAYMENT DISPUTES. Any charge disputed by Blue Cross must be brought to the attention of Consultant in writing; any payment disputed by Consultant must be brought to the attention of Blue Cross in writing within one hundred and twenty (120) days of the date Blue Cross issues payment; and any unreported charge for services or expenses must be brought to the attention of Blue Cross no more than one hundred and twenty (120) days after the date on which the Service was performed or the expense was incurred. Consultant is barred from collecting for unreported time and/or disputed amounts for which notice is not given within the timeframes stated in this Section 3.4.

4. INDEPENDENT CONTRACTOR RELATIONSHIP

Consultant is an independent contractor, and is not an employee, servant, agent, partner, or joint venturer of Blue Cross. Neither party to this Agreement will have any authority to bind or represent the other party. Blue Cross shall identify and request the Services to be performed, but Consultant shall determine the legal means by which all Services are to be accomplished. Blue Cross is not responsible for withholding, and shall not withhold, FICA or any other employment-related taxes of any kind from any payments made to Consultant. Neither Consultant, its employees, nor any subcontracted personnel will be entitled to receive any benefits which employees of Blue Cross are entitled to receive, nor will Consultant, its employees or subcontracted personnel be entitled to receive from or through Blue Cross workers' compensation, unemployment compensation, medical insurance, life insurance, paid vacations, paid holidays, pension, profit sharing or Social Security on

account of Services performed under this Agreement.

5. CONFIDENTIAL INFORMATION

5.1 In the course of performing Services, Consultant might be given or obtain access to Confidential Information (defined below). For purposes of this Agreement, the following definitions apply:

(a) "**Affiliate**" means (i) any entity now existing or hereafter organized that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with Blue Cross, and/or (ii) any entity in which an entity described in "(i)" above holds not less than 30% of either the membership interest, voting interest or issued and outstanding voting securities thereof.

(b) "**Confidential Information**" includes, without limitation, all proprietary and confidential information in any form and in which Blue Cross and/or an Affiliate has rights, which is not generally known to the public and which relates to the business, expertise and/or operations of Blue Cross and/or any of its Affiliates, including, without limitation, information in any form generally understood to be proprietary, trade secret or confidential that is related to corporate strategic goals, plans, marketing techniques, marketing and development plans, strategies, products, services, commercial and financial information, system functionality charts and descriptions, code, program code logic, computer system access, trade secret information, information relating to employees, health care providers, customers, prospective customers, subscribers, and/or business partners, and any notes, analyses, cost data, compilations, databases, studies, interpretations, additional data or documents which contain, are derived from or are based upon any Confidential Information, regardless of whether any such materials or information are specifically labeled as "confidential", and any other information in any form generally understood to be proprietary, trade secret or confidential, or which under all the circumstances ought reasonably to be treated as proprietary, trade secret or confidential. Confidential Information also includes Intellectual Property Rights (defined in Section 6.1 below) inherent in or appurtenant to each of the foregoing.

5.2 (a) Consultant shall not without first having obtained the prior written consent of Blue Cross, which consent may be withheld and/or qualified in Blue Cross' sole discretion, disclose nor permit any of its Employees or Permitted Subcontractors to disclose, to any Employee or Permitted Subcontractor who has not agreed in writing to comply with the provisions of this Section 5 and who is not specifically assigned to perform Services or who does not otherwise have a legitimate need to

know such Confidential Information in connection with this Agreement, nor to any third party, any such Confidential Information of, obtained from or disclosed by Blue Cross and/or any of its Affiliates. Consultant will otherwise protect the confidentiality of such Confidential Information using at least the same degree of care it utilizes in the protection of its own proprietary and confidential information, but in no event less than a reasonable degree of care. Nothing expressed in this Section 5 or in this Agreement will be deemed to prohibit Blue Cross or any Blue Cross Affiliate from disclosing to third parties (i) any Deliverables, and (ii) the terms and conditions of this Agreement.

Consultant shall not use or reproduce any Confidential Information of, obtained from or disclosed by Blue Cross and/or any of its Affiliates except in furtherance of the purposes of this Agreement.

(b) Consultant and its Permitted Subcontractors shall establish and maintain environmental, safety and facility procedures, data security procedures and other safeguards against the destruction, loss or alteration of Blue Cross Confidential Information disclosed pursuant to this Agreement that are (i) no less rigorous than those maintained by Consultant for its most sensitive information, (ii) in compliance with all applicable laws, and (iii) sufficient to prevent unauthorized use or disclosure thereof. Without limiting the generality of the foregoing, Consultant shall use its best efforts and commercially reasonable safeguards to prevent unauthorized use or disclosure of such Confidential Information.

(c) Consultant and its Permitted Subcontractors will maintain or cause to be maintained physical and logical data and electronic security controls over the Confidential Information, the development of the Deliverables and Consultant's owned and leased facilities and those of its Permitted Subcontractors sufficient to prevent unauthorized access to the Confidential Information and to limit access to the Confidential Information solely to Consultant's and its Permitted Subcontractors' authorized personnel. Consultant shall encrypt all portable media on which Blue Cross Confidential Information is stored, using a non-proprietary algorithm of at least 256-bit cipher strength.

(d) Consultant shall immediately notify Blue Cross in the event of any actual, suspected or attempted unauthorized access to or use of any Confidential Information or any facilities associated therewith.

(e) Consultant shall not, and shall ensure that Consultant personnel and Permitted Subcontractors do not, break, bypass or circumvent, or attempt to break, bypass or circumvent, any security system of Blue Cross, or obtain, or attempt to obtain, unauthorized access to any Confidential Information.

5.3 Intentionally left blank.

5.4 The restrictions and conditions that apply to information, that (a) is, as of the time of its disclosure, or thereafter becomes, part of the public domain through a source other than Consultant, its employees or subcontracted personnel; (b) was known to Consultant as of the time of its disclosure by Blue Cross to Consultant and not subject to any restrictions regarding disclosure, use

or reproduction; (c) is independently developed by Consultant without reference to Confidential Information; or (d) is learned or acquired from a third party without restriction against disclosure, use or reproduction.

5.5 Except as may be set forth in a Schedule, Consultant shall not remove from the premises of Blue Cross any Confidential Information or other property of, or disclosed by, Blue Cross or any Blue Cross Affiliate without first having obtained the prior written consent of Blue Cross or such Affiliate, respectively. Such prior written consent by Blue Cross may be given only by a Blue Cross Vice President or Senior Vice President.

5.6 In the event Consultant receives a subpoena or other administrative or judicial process validly issued by a U.S. federal or state authority demanding Confidential Information of or disclosed by Blue Cross or of an Affiliate, Consultant shall promptly notify Blue Cross and the Affiliate and tender to it the defense of such demand. Unless such demand is timely limited, quashed or extended, Consultant will thereafter be entitled to comply with such demand to the extent required by U.S. federal or state law.

5.7 Within ten (10) days after Blue Cross' written request, Consultant shall (a) return to Blue Cross all Confidential Information of Blue Cross and its Affiliates, including any copies thereof, and (b) delete all Confidential Information from Consultant's computer equipment, and certify in writing to Blue Cross, Consultant's deletion of same.

5.8 Consultant acknowledges and agrees that monetary damages will not fully compensate Blue Cross or its Affiliates in the event of a breach of the terms and conditions of this Section 5 and that upon any such breach or threatened breach, Blue Cross and/or its Affiliates are entitled as a matter of right to specific performance, injunctive relief and/or other equitable relief, without requirement of bond, in addition to all other remedies at law.

6. OWNERSHIP RIGHTS

6.1 To the fullest extent possible, Blue Cross will be the owner of all Intellectual Property Rights (defined in the following paragraph) and other property rights in and to in the Deliverables. All rights, title and interest in and to all work product and intellectual property created or conceived by

Consultant and/or any Employee, Permitted Subcontractor or other person or entity working for or under Consultant, for delivery to Blue Cross in connection with and/or as part of Services, including without limitation, all inventions, methods, processes, business adaptations, reports, products, programs, software, code, documentation, deliverables, business concepts, charts, graphs, diagrams and other materials, regardless of whether existing in or on paper, electronic or other form or media,

upon creation and at all stages of development and upon completion (collectively "Deliverables"), and all rights, title and interest in and to Intellectual Property Rights, and interests therein or stemming therefrom, except as may be specifically excluded under Article II, Section 6.2, are hereby and unconditionally assigned and transferred to, and will immediately upon the creation of or coming into existence thereof become, the exclusive property of Blue Cross. Consultant retains no rights or interest in connection with such assignment and transfer. Consultant shall leave all such Deliverables with Blue Cross upon completion of the Services to use or employ in any manner Blue Cross deems appropriate in its sole and absolute discretion.

For purposes of this Agreement, "**Intellectual Property Rights**" means worldwide ownership of all copyrights, all rights of authorship, all patent rights, all rights of inventorship, all trademark and service mark rights, all rights in trade secret and proprietary information, all rights in data and compilations of data, all rights of attribution and integrity and other moral rights, and all other Intellectual Property Rights of any type under state or federal law of the United States or any other nation or international treaty or law, as well as all rights in applications for registration of these rights and all licenses to these rights.

All Deliverables, except as specifically excluded in Section 6.2, will be deemed "work-made-for-hire" under the United States Copyright Act of 1976, as amended, to the extent not expressly proscribed by federal law. If any Deliverable does not qualify as "work-made-for-hire", then Consultant hereby irrevocably transfers, assigns and conveys all right, title and interest in the Deliverables to Blue Cross upon creation and at all stages of development and upon completion, without further compensation or the necessity of further actions. Consultant shall have and maintain written agreements between Consultant and each of Consultant's Employees and subcontractors, if any, who provide Services and/or Deliverables hereunder which establish and assign to Blue Cross all such rights and interests in such Deliverables and that Consultant will provide copies of such agreements to Blue Cross upon request. Consultant shall to execute, sign and deliver to Blue Cross all documents reasonably requested by Blue Cross in connection with such assignment of rights, and upon request, Consultant shall cooperate with Blue Cross to establish, perfect, assert or defend Blue Cross' rights and interests in such Deliverables. Consultant warrants that no other party will have any rights whatsoever therein.

6.2 It is understood that Consultant will be free to use its general knowledge, skills and experience and any ideas, concepts, know-how, and techniques related to the Services provided by Consultant. It is further understood that Consultant has created, acquired or otherwise has rights in, and may, in connection with the performance of Services hereunder, employ, provide, modify, create, acquire or otherwise obtain rights from third parties, other than Blue Cross, in various concepts, ideas, methods,

methodologies, procedures, processes, know-how, techniques, models and templates (collectively, the "**Consultant Items**"). Notwithstanding anything to the contrary in this Agreement, to the extent that Consultant uses any of its intellectual or other property (including, without limitation, the Consultant Items) in connection with the performance of Services and/or such Consultant Items are incorporated into or embedded in Deliverables, or used in providing Services in connection with the development of the Deliverables, such property will remain the property of Consultant and, except for the license expressly granted in this Section 6, Blue Cross will not acquire any right, title or interest in or to such property. Consultant hereby grants to Blue Cross and its Affiliates a worldwide, transferable, sublicensable, perpetual, non-exclusive, royalty free, fully paid, license to use, reproduce, perform, display, modify, and/or create derivative works from, any of the Consultant Items, in connection with the use, display, operation, modification, distribution and/or commercial exploitation of the Deliverables.

7. WARRANTIES

7.1 Consultant represents and warrants that (a) all Services will be performed in good faith and in a good, professional, workmanlike, competent and timely manner, in conformity with all applicable professional standards and the requirements of this Agreement and the respective Schedule(s), (b) Consultant, its Employees and Permitted Subcontractors, if any, shall have and maintain the requisite technical knowledge, skills, abilities, licenses and qualifications to provide the Services, (c) Consultant will comply with all applicable local, state and federal ordinances, laws and regulations in providing the Services, and (d) Consultant's performance of Services does not and will not violate the terms and conditions of any other contract or obligation of Consultant. Consultant warrants that Consultant (including Consultant's personnel performing Services hereunder) (x) has not offered or provided any gifts, gratuities or other consideration to the benefit of Blue Cross or any Blue Cross employee to induce Blue Cross to enter into this Agreement, including any Schedule, and (y) has no Conflict of Interest. For the purposes of this Agreement, "**Conflict of Interest**" means a personal, financial or other interest in or with (i) any supplier of goods or services recommended by Consultant to Blue Cross, or (ii) any Blue Cross customer or supplier to Blue Cross of goods or services, which relate to Services. Consultant will not permit any person having a Conflict of Interest to perform Services.

7.2 Consultant warrants that Consultant, its Employees and/or Permitted Subcontractors will not introduce through data transmission via modem or any other medium or in the performance of any Service hereunder or under any other agreement entered into between the parties, any virus, malware, spyware, bomb, worm, trap door, back door, Trojan horse, malicious logic, drop dead device, software lock, disabling code, or any other contaminant, program routine or disabling device,

including without limitation, any key, timer, clock, counter, local shared object, cookies or other self-enacting device or limiting routines, codes, commands, or instructions or other feature that may have the effect or that could be used to access, track activity on, alter, delete, damage, deactivate, interfere with, disable or otherwise harm any Deliverable or Blue Cross owned, licensed and/or leased computer hardware, software, code, systems, data, compilations of data, or other property (collectively "**Harmful Code**").

7.3 Consultant warrants that it has all rights, powers and authority to effect all assignments and transfers of rights as provided in Section 6 above. Consultant warrants that no Deliverable, or Blue Cross' use thereof, will infringe upon or violate any Intellectual Property Rights or any other rights of a third party or parties. Consultant represents and warrants that it has no other agreement or relationship with a third party or parties that conflicts with its obligations under this Agreement.

7.4 Consultant represents and warrants that Consultant, its Employees and Permitted Subcontractors, if any, are not included on any list or general order issued by the United States government or governmental agency, and are not a sanctioned party identified by the United States government or governmental agency, resulting in exclusion or debarment from receiving United States government contracts or federally-approved subcontracts and from certain types of federal financial and nonfinancial assistance and benefits. These lists include, without limitation, the General Services Administration's Excluded Parties List System (GSAIEPLS), the Office of Foreign Assets Control (OFAC) lists of sanctioned parties and specially-designated nationals, and the Office of Inspector General's (OIG) List of Excluded Individuals and Entities. Consultant shall notify Blue Cross within five (5) days in the event that Consultant becomes aware that Consultant, any Employee or Permitted Subcontractor is included on any such list, order or is so sanctioned.

7.5 **Consultant represents and warrants that it has *not* performed services funded by or to the benefit of the tobacco industry within the past 5 years.** Furthermore, Consultant shall not pursue or accept a contract, including sponsorship or participation, with a tobacco company during the term of this Agreement. Consultant shall make every reasonable effort to ensure that any sponsors or corporate participants in the project(s) funded by this Agreement have not been involved with other projects funded directly or indirectly by the tobacco industry, or any other projects that could reasonably be considered counter to tobacco reduction or cessation efforts. In addition, Consultant shall make every reasonable effort to ensure that any subcontractors performing Services have not been involved in projects funded directly or indirectly by the tobacco industry, or any projects that would be considered counter to Blue Cross' initiatives on tobacco use reduction or cessation.

8. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless Blue Cross, its Affiliates, tenants, officers, directors, trustees, agents and employees from all claims, demands, losses, damages, injuries, liabilities, expenses, judgments, liens, encumbrances, orders and awards (all of which are collectively referred to as "**Claims**"), together with reasonable attorneys' fees and litigation expense, on account of:

- 1) Consultant's performance of Services;
- 2) Bodily injury to, or death of, any person, or damage to real property and/or tangible or intangible personal property;
- 3) Claims of Consultant's employees, subcontractors, suppliers, material suppliers or workers, including those that relate to any of Consultant's or Permitted Subcontractor's employees or classification of employees, the terms or conditions of employment, any accident, illness, injury or other harm arising in connection with or relating to employment, or the termination of such employment;
- 4) Claims that any Services or Deliverables infringe upon any existing or future patent right, copyright, trade secret or other Intellectual Property Right. Consultant will not be obligated to so indemnify, however, if the Claim is caused by Blue Cross' modification of Deliverables. If any Deliverables are, or in either Blue Cross' or Consultant's opinion are likely to be, held to constitute an infringing product, Consultant shall promptly at Consultant's option and at Consultant's sole cost and expense either (a) procure the right for Blue Cross to continue using it, or (b) modify it so that it is non-infringing, provided that such Deliverable as modified must be functionally equivalent and perform and conform in all material respects to the specifications and requirements of the original Deliverable, or (c) replace it with a non-infringing functionally equivalent that performs and conforms in all material respects to the specifications and requirements of the original Deliverable. If none of the options in the preceding sentence are reasonably available and/or practical after Consultant has exercised its best efforts to implement said options, Consultant shall refund to Blue Cross all amounts paid by Blue Cross pertaining to such Deliverables under this Agreement; and
- 5) Claims against Blue Cross for express or implied indemnity or contribution arising by reason of any of the above; but only, in each case, to the extent that any such Claims arise out of Consultant's performance of Services, Consultant's breach or default of this Agreement, and/or the negligent and/or willful acts or omissions of Consultant, its Employees, agents or subcontractors.

9. INSURANCE

Consultant shall at its own cost and expense, maintain (and cause its Permitted Subcontractors, if any, to maintain) the following insurance coverages in full force and effect throughout the Term of this Agreement:

- 1) Workers' Compensation Insurance, as may be from time to time required under applicable federal laws and the laws of the State(s) or country in which the Services are performed;
- 2) Employers Liability Insurance, with limits of not less than \$500,000 each accident, \$500,000 disease - policy limit, and \$500,000 disease - each employee;
- 3) Commercial General Liability Insurance (including contractual liability to cover the indemnity provisions set forth in this Agreement) with limits of not less than \$3,000,000 general aggregate and \$1,000,000 each occurrence (including personal and advertising injury);
- 4) Automobile Liability Insurance (including owned, non-owned and hired) with limits of not less than One Million Dollars (\$1,000,000) combined single limit, and

Consultant shall amend or endorse the foregoing insurance coverages such that they will contain a provision whereby the insurer agrees to give Blue Cross thirty (30) days' written notice before the insurance is canceled or altered in such a way that it no longer satisfies the requirements set forth in this Section 9. The foregoing insurance coverages (except for the Workers' Compensation Insurance Coverage) will be written on an occurrence basis and will name Blue Cross as an additional named insured. The Consultant shall furnish current certificates evidencing that the foregoing insurance is being maintained by Consultant. Delivery of a certificate to Blue Cross which is not in full compliance with this Agreement will not be deemed a waiver of the Consultant's obligations.

Notwithstanding any other provision in this Agreement to the contrary, Consultant agrees to look solely to Blue Cross, its successors or assigns for the payment or performance of any of Blue Cross' obligations hereunder, and Consultant agrees that no trustees, officers or employees of Blue Cross will be personally liable for such payment or performance.

10. CUMULATIVE RIGHTS

Except as specifically provided in Article II, part 3.4 above, all rights and remedies of Blue Cross and Consultant, respectively, under this Agreement are cumulative, and the exercise by a party hereto of any right or remedy herein provided will be without prejudice to the right to exercise any other right or remedy of such party provided for herein or therein or at law or in equity, all of which are expressly reserved,

11. ASSIGNMENT

Except as specifically provided below, neither party may (a) assign this Agreement, (b) assign all or any part of its rights under this Agreement, nor (c) assign and/or delegate performance under this

Agreement; whether directly or indirectly, voluntarily or involuntarily, by merger, consolidation, dissolution, operation of law or otherwise, without first having obtained the prior written consent of the other party; provided, however, that Blue Cross may in its sole discretion and without obtaining the prior written consent of Consultant (x) assign this Agreement, (y) assign all or any part of its rights under this Agreement, and/or (z) assign and/or delegate all or any part of its performance under this Agreement; to any Affiliate. Any purported assignment or purported delegation in violation of this Section is null and void.

12. NO THIRD PARTY BENEFICIARY

This Agreement is solely for the benefit of the parties and their respective successors and permitted assigns, and no other person or entity has any right, benefit, priority or interest under, or because of the existence of, this Agreement; provided, however that Blue Cross' Affiliates will be deemed third party beneficiaries with respect to Consultant's obligations under Sections 5, 6, 7, 8 and 9 hereof.

13. GOVERNING LAW

The formation, interpretation and performance of this Agreement and any disputes arising out of or related to it will be governed by the substantive and procedural laws of the State of Minnesota, and, to the extent applicable, the laws of the United States of America. This Agreement is deemed to be executed in Minnesota and the parties hereby consent to the jurisdiction of the State and Federal Courts located in Minnesota for such disputes. All litigation arising out of or related to this Agreement must be brought in Courts located in the State of Minnesota.

14. NOTICES

Except for the notices provided for in Article II, Sections 1.6 and 7.4, every notice or other communication to be given by either party to the other with respect to this Agreement, will be provided in writing, in the English language, and will be deemed given when either personally delivered, sent by Certified United States, return receipt requested, delivered by courier, addressed if to Blue Cross as follows:

Blue Cross and Blue Shield of Minnesota

3535 Blue Cross Road

Eagan, Minnesota 55122

Attn: Purchasing Manager

and, if to Consultant, at the address set forth on page 1 of this Agreement; or at such other address or addresses as Blue Cross or Consultant, respectively, may from time to time designate by notice given as above provided.

15. FORCE MAJEURE

Neither party will be liable for the non-performance of its obligations under this Agreement for a maximum period of sixty (60) days if such non-performance is caused by acts of civil or military authority, civil disturbance, war, terrorism, explosions, fires, earthquakes, floods or other acts of God ("Force Majeure Event"). The party so affected shall give notice to the other party and shall do everything reasonably possible to resume performance. If the period of non-performance exceeds sixty (60) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been so affected may terminate the Agreement and/or any applicable Schedule(s) upon written notice.

16. SURVIVAL

No termination or expiration of this Agreement and/or any Schedule will affect the rights and obligations of the parties which have accrued prior to the effective date of termination or expiration. In addition, the provisions of Article II, Sections 2.5, 3.3, 3.4, 4, 5, 6, 7, 8, 9,10,12,13,14,17,18,19, 20, 21, 23, 26, and 28 will survive termination or expiration of this Agreement and for any Schedule.

17. ENTIRE AGREEMENT

This Agreement, including its Exhibits referenced herein and Schedules, represents the entire agreement between the parties concerning the Services described in such respective Schedules. The terms and conditions of this Agreement supersede any prior verbal or written communications or conflicting proposal material concerning the Services and Deliverables described in such Schedules to the extent that such terms are not specifically incorporated by reference into this Agreement, a Schedule or into any written amendments thereto which have been signed by both parties. The parties may amend this Agreement only by a written instrument, signed by both parties hereto, that identifies itself as an amendment to this Agreement.

18. NO WAIVERS

No waiver of or to this Agreement will be valid unless in writing and signed by both parties hereto. No waiver of, or failure to exercise, any option, right or privilege under the terms of this Agreement by either of the parties hereto on any occasion or occasions shall be construed to be a waiver of the same or similar option, right or privilege on any other occasion.

19. BINDING NATURE

This Agreement will be binding on and inure to the benefit of the parties and their respective successors and permitted assigns.

20. PERMITTED SUBCONTRACTORS TO BE BOUND

Consultant shall not permit any Permitted Subcontractor to perform any of the Services or participate

in the creation or development of any Deliverable unless and until Consultant has entered into a written subcontract with such Permitted Subcontractor containing provisions at least as protective of Blue Cross' Confidential Information, proprietary rights and rights in the intellectual property and Deliverables as are provided in this Agreement. Consultant will remain responsible for obligations performed by Permitted Subcontractors to the same extent as if such obligations were performed by Consultant's Employees.

21. SEVERABILITY

If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same will not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision will be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable and the rights and obligations of the parties will be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

22. PUBLICITY

Consultant shall not issue or otherwise publish any press release or make public statements (including via social media) concerning this Agreement, use Blue Cross' name for marketing purposes or list Blue Cross on published lists of suppliers or provider of program funding, without first having obtained the prior written consent of Blue Cross. Blue Cross may, at its sole and absolute discretion, publicize the project which is the subject of any Schedule, including the use of references, case studies or other mention in reports to the community, research reports, annual reports, marketing materials or such other print, broadcast, online or other media as Blue Cross may elect from time to time. Consultant shall, in public references to the project which is the subject of any Schedule, acknowledge Blue Cross' funding in such manner as Blue Cross may reasonably direct. Further, Consultant will comply with Blue Cross' Communication Requirements for Funded Organizations, attached hereto as Exhibit 5, of which Consultant acknowledges receipt, and which will be deemed incorporated into and made part of this Agreement.

23. NON-SOLICITATION

Neither party shall solicit for employment any employee of the other party who is directly involved in the performance of Services described in a Schedule to this Agreement during the term of the respective Schedule and for a period of six (6) months immediately following its expiration or earlier termination, except as may otherwise be agreed in writing by the respective parties hereto. This Section shall not restrict the right of either party to (a) solicit the employment of employees of the other party after such employees have separated or have been separated from the service of such

other party for a period of six months or more, provided that the soliciting party did not solicit such separation, or (b) solicit or recruit generally in the media, or to post open positions via internal or external job posting methods.

If any employee of Consultant or its Permitted Subcontractor who is actively engaged in performing Services pursuant to an approved Schedule applies for a position within Blue Cross or its Affiliates based on an advertisement in the media or an internal posting, Blue Cross may hire such applicant in its sole discretion.

24. NON-COMPETE

Consultant shall not, at any time during the term of this Agreement and the term of all Schedules, and for a period of two (2) years from and after the later to occur of expiration or termination thereof, provide any health insurers or health plans operating in the State of Minnesota that are direct competitors of Blue Cross, or provide any other licensee of the Blue Cross and Blue Shield Association, with services or deliverables that are substantially similar or perform substantially similar functions as those created for Blue Cross pursuant to this Agreement. Consultant acknowledges that monetary damages will not fully compensate Blue Cross for violation of Consultant's agreement not to compete, and that upon any such violation, Blue Cross will be entitled, as a matter of right, to injunctive relief without requirement of bond in addition to all other remedies at law.

25. HEADINGS

Section headings are for reference only and will not be used in construing this Agreement.

26. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which constitute but one and the same instrument.

27. ATTORNEY'S FEES

In the event that any action, suit or other proceeding is instituted to remedy, prevent, or obtain relief from, a breach of this Agreement, or arises out of a breach of this Agreement, the prevailing party will be entitled to recover all of such party's reasonable attorney's fees, costs and expenses incurred in connection therewith.

28. TIME

Time is of the essence in the performance of this Agreement.

29. EXPORT RESTRICTIONS

Except as specifically set forth in a Schedule or Change Order thereto, Consultant shall not perform the Services, in whole or in part, from any location outside of the United States without Blue Cross'

prior written consent.

Consultant shall not directly or indirectly export (or re-export) any computer hardware, software, technology, technical data or derivatives of such hardware, software, technology or technical data provided by Blue Cross, or permit the shipment or transmission of same: (a) into (or to a national or resident of) any country as to which the United States has placed an embargo, (b) to anyone on the U.S. Treasury Department's "Specially Designated Nationals List" or on the U.S. Commerce Department's "Denied Person's List", "Unverified List", "Entity List" or other compiled list or general order issued by the United States government or governmental agency, or to a sanctioned party identified by the United States government or governmental agency, or (c) to any country or destination for which the United States government or a United States governmental agency requires an export license or other approval for export without first having obtained (i) such license or other approval, and (ii) the prior written consent of Blue Cross.

30. RECORD KEEPING REQUIREMENT

30.1 Consultant will establish an official file for the project. The file shall contain documentation of all actions taken regarding this contract.

30.2 Consultant shall establish separate ledger accounts for the receipt and expenditure of project funds and maintain expenditure detail in accordance with the approved budget detail. Separate bank accounts are not required.

30.3 Consultant shall maintain financial records in accordance with generally accepted accounting principles. Consultant shall maintain adequate supporting documentation in such detail so as to provide an audit trail of receipts, expenditures, and disbursements. Consultant's records will permit tracing transactions from support documentation to the accounting records to financial reports and billings. Such documentation shall include proof of all match contributions, including identification of the source of each and every such contribution, and may include, but shall not necessarily be limited to subsidiary ledgers, payroll records, vendor invoices, canceled checks, bank or other financial account records, consultant contracts and billings, volunteer rosters and work logs, and lease or rental agreements. Such documentation shall be readily available for inspection, review, and/or audit by Blue Cross or other representative of Blue Cross.

30.4 The books, records, documents, and accounting procedures and practices of Contractor relevant to this agreement shall be retained and made available and subject to examination by Blue Cross for a minimum of three years.

31. AUDIT

31.1 From time to time, but not more than annually, Blue Cross may utilize its internal auditors or

engage a third party auditor reasonably acceptable to Consultant to perform a confidential audit of Consultant's compliance with its obligations under this Agreement. In addition, Consultant shall reasonably participate in any audits initiated by a customer or regulator of Blue Cross, to the extent that Consultant's performance of Services is within the scope of such audit. For the avoidance of doubt, Contractor's reasonable cooperation with audits is part of the Services, and will be provided at no additional cost to Blue Cross. .

31.2 Blue Cross shall provide at least sixty (60) days notice prior to commencement of an audit, which shall be conducted during normal business hours, at a mutually agreed upon time (but no later than sixty days after Blue Cross' notice, unless the parties agree otherwise). Audit rights shall extend to, when applicable, audits of such location(s) utilized by Consultant to provide Services, audits of practices and procedures, systems and infrastructure, and such other areas necessary for Blue Cross to verify Consultant's compliance with its obligations under this Agreement. Prior to conducting any audit, Blue Cross shall confer with Consultant to discuss the scope of the audit and logistical issues. Any resulting report will be deemed Blue Cross Confidential Information, and will not be shared with anyone outside of Blue Cross and Consultant, except for the parties' respective auditors, financial and/or legal advisors.

31.3 If any audits of Consultant result in an adverse or qualified opinion, (a) Consultant shall provide Blue Cross a detailed remediation plan (including dates), and use reasonable efforts to remediate (at its own expense) the condition(s) giving rise to such opinion and (b) Blue Cross may utilize its internal auditors or engage a third party to specifically re-test activities related to such opinion, to verify closure or identify potential impact to Blue Cross.

32. REIMBURSEMENT LIMITED TO NET COSTS

All costs charged against the Agreement shall be net of all applicable credits. The term "applicable credits" refers to those receipts or reductions of expenditures that operate to offset or reduce expense items that are reimbursable under this Agreement. Applicable credits may include, but are not necessarily limited to, rebates or allowances, discounts, credits toward subsequent purchases, and refunds. . Contractor shall, where possible, deduct the amount of the credit from the amount billed as reimbursement for the cost, or shall deduct the amount of the credit from the total billed under a future invoice.

33. LOBBYING

Funded organizations shall comply with all applicable federal, state, and local laws, rules, regulations, ordinances and directives, regarding registration and reporting for lobbying activities, as defined in Minnesota Statute chapter 10A and for committees acting to promote or defeat a Ballot Question, as

those terms are defined in Minnesota Statute section 211A01. This includes, but is not limited to, compliance with Minnesota Statutes chapter 10A, 211A, 211B.

Lobbying is defined as attempting to influence legislation within the meaning of Internal Revenue Code Sections 501 (h) and 4911 or for any attempts to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials, within the definition of "lobbyist" under *Minnesota Statutes* 2004, Section 10A01, Subd. 21.

You may not engage in any state level or federal level lobbying under the terms of your agreement. If conducting local level lobbying, the funded organization shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, regarding registration and reporting for lobbying activities, as defined in Minnesota Statute chapter 10A. Blue Cross is not a lobbyist principle for the purpose of this project.

I. CONTRACTOR/CONSULTANT EXPENSE REIMBURSEMENT POLICY

Subject to the parties' written agreement, and as provided herein, BCBSM, Inc. dba Blue Cross and Blue Shield of Minnesota, ("Blue Cross") will reimburse Contractors, Consultants, and Vendors (collectively referred to as "Contractors") the stated per diem or actual cost for necessary expenses, as described below, incurred by Contractor's Employees and/or Permitted Subcontractors while conducting Blue Cross business while away from such Employee's or Permitted Subcontractor's place of residence. Contractor's Employees and/or Permitted Subcontractors are expected to exercise good judgment when incurring and reporting business expenses. Blue Cross will issue payment for Contractor's Employees' and Permitted Subcontractors' approved expenses to Contractor only and not to individual Employees or Permitted Subcontractors.

II. SCOPE

This policy applies to Contractors who perform services for Blue Cross.

III. REIMBURSEMENT OF EXPENSES

To be valid for reimbursement by Blue Cross, each Employee and Permitted Subcontractor for whom expenses are allowed must attach supporting receipts for all items (except for Lodging and Meals and Incidental Expenses) and submit them to Contractor. Contractor must prepare an invoice that identifies the Agreement, work order and Schedule, if any, to which it applies, and submit the invoice along with associated receipts to Blue Cross for reimbursement.

Air travel. Air travel should be arranged whenever possible at least fourteen (14) days in advance to obtain the most economical transportation. Other factors - including safety, timeliness and special

requests by Blue Cross management - will influence the final choice. Reimbursement requirements are as follows:

Blue Cross will reimburse for the cost of coach-class airfare.

First-class air travel is not a reimbursable business expense. *If a Contractor's Employee or Permitted Subcontractor chooses to fly first-class, Blue Cross will reimburse the Contractor at the coach-class rate available with 14 days advance booking on the date the Contractor's business expense report is processed by Blue Cross.*

Air travel outside of the United States requires pre-approval in writing by the Blue Cross Senior Vice President from the business unit for which the travel is required.

Detailed receipts and identification of the business reason for the air travel are required for reimbursement. The receipts must indicate the dates of travel, name of the traveler, dollar amount, and the class of travel (e.g. coach, business or first class). If the air fare receipt or ticket does not indicate the class of travel, an itinerary showing the ticket transaction and indicating the class of travel must also be submitted.

For out of state Contractors' Employees and Permitted Subcontractors, the frequency and cost associated with the air travel back and forth to an Employee or Permitted Subcontractor's place of residence will be negotiated in advance.

In no event will air fare be reimbursed for travel less than 200 miles unless such air travel has specific prior authorization from the Blue Cross Manager or Director who is managing the contract.

Rental Car. Blue Cross will reimburse a flat rate of \$70.00 per day on the cost of a rental car, which includes all associated costs such as fuel and insurance that the Contractor may choose to purchase.

Rental car charges shall be billed directly to each Employee or Permitted Subcontractor.

Whenever a Contractor has multiple Employees or Permitted Subcontractors that are traveling to Blue Cross together, all reasonable efforts should be made to use the same rental car. Taxi or shuttle service should only be used when it represents a less expensive alternative to car rental.

Lodging will be reimbursed on a Per Diem basis when an Employee or Permitted Subcontractor is required to be away from his/her residence overnight. Blue Cross negotiates preferred rates with a number of local Lodging suppliers for Employees and Permitted Subcontractors - please contact Blue Cross Corporate Purchasing (Corporate Purchasing@bluecrassmn.com) for these preferred suppliers, rates and information on how to obtain preferred rates.

Meals and Incidental Expenses will also be paid on a Per Diem basis based on the travel destination.

Meals and Incidental Expenses include such things as breakfast, lunch, dinner and related tips and taxes; laundry and dry cleaning; transportation to and from restaurants; and tips to baggage carriers,

maids, etc. Receipts are not required for items covered by the meals and incidental expenses per diem.

Per Diem Rates for Lodging and Meals and Incidental Expenses are the amounts listed on the U.S.

General Services Administration web page for the applicable travel destination and actual dates of travel. The web page is available at: <http://VIWIN.gsa.gov/portal/category/100120>.

If a Per Diem is paid for Employees or Permitted Subcontractors working at the Blue Cross campus, the amounts listed for Minneapolis / St. Paul, MN will be used. If BlueCross is invoiced for Lodging or Meals

and Incidental Expenses at an amount less than applicable Per Diem, the lesser amount will be reimbursed.

Use of Personal Vehicles. Contractor's Employees or Permitted Subcontractors using their personal automobile for business reasons will be reimbursed for the actual miles traveled at the current IRS standard mileage rate on the dates) of travel.

Personal expenses such as hotel movie rentals, health club charges, clothing and other personal items are not allowable business expenses.

In-town business meals expenses, where only Blue Cross employees and Contractor's Employees and/or Permitted Subcontractors are in attendance, will not be reimbursed to Contractors. If this type of meeting is appropriate, the highest-ranking Blue Cross employee in attendance should pay the bill and submit for reimbursement.

City of Grand Marais

MEMO

TO: Mayor Arrowsmith DeCoux
City Council Members
FROM: Michael J. Roth, City Administrator
DATE: June 5, 2015
SUBJECT: Correcting Legal Description in Resolution 2003-11

The City passed Resolution 2003-11 in May of 2003 as a way to allow for the separation in ownership of a duplex. The legal description in the resolution was incorrectly stated, which is now complicating the handling of the property. Please approve the attached resolution correcting the legal description.

CITY OF GRAND MARAIS
CITY COUNCIL RESOLUTION 2015-11

A RESOLUTION AMENDING RESOLUTION 2003-11 APPROVING THE
MAXWELL CONDITIONAL USE PERMIT

WHEREAS, Resolution 2003-11, adopted by the City Council on May 14, 2003, copy attached, contained a typographical error in the legal description for the property that was granted a conditional use permit; and,

WHEREAS, Resolution 2003-11 incorrectly stated that the conditionl use permit was granted to "Lots1-3, Block 3, Harbor addition," whereas the correct legal description is "Lots 1-3, Block 10, Harbor Addition.

NOW THEREFORE BE IT RESOLVED, by the Grand Marais City Council that the property legal description contained in Resolution 2003-11 is amended to read as follows:

"The property is legally described as Lots1, 2, and 3, Block 10, Harbor Addition."

Except as amended herein Resolution 2003-11 shall remain I full force and effect. The City Administrator is hereby instructed to transmit a certified copy of Resolution 2003-11 and this resolution to the Cook County Recorder.

Passed by the City Council of the City of Grand Marais, Minnesota this 24th day of June, 2015.

(SEAL)

Mayor Jay Arrowsmith-Decoux

ATTEST:

Michael J. Roth
City Administrator

RESOLUTION 2003-11

RESOLUTION APPROVING THE GLEN AND DEANNA MAXWELL
CONDITIONAL USE PERMIT

WHEREAS, THE City of Grand Marais Planning and Zoning Commission duly held a public hearing on May 6, 2003, to consider the following conditional use request;

Glen and Deanna Maxwell are requesting a conditional use permit to convert a duplex into individually owned townhomes. They include a proposed declaration of restrictions, covenants, and easements. The property is legally described as Lots 1-3, Block 3, Harbor Addition.

WHEREAS, based upon the following findings, the Planning and Zoning Commission recommends granting the conditional use permit;

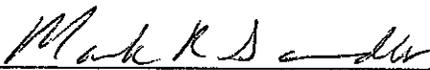
- o The use is compatible with the R-1 permanent residential neighborhood, as the structure is already in place.
- o The townhome development is a desirable use as more housing is needed in the community.
- o The proposed declaration of restrictions, covenants and easements (Attachment A) are sufficient.

NOW, THEREFORE, BE IT RESOLVED, BY THE City Council of the City of Grand Marais, County of Cook, State of Minnesota, that the Glen and Deanna Maxwell Conditional Use Permit be approved with the condition that the proposed declaration, Attachment A, is recorded on the property.

The City Clerk/Treasurer is hereby instructed to transmit a certified copy of this Resolution to the Cook County Recorder.

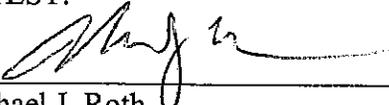
Adopted by the City Council of the City of Grand Marais this 14th day of May 2003.

(SEAL)



Mayor Mark R. Sandbo

ATTEST:



Michael J. Roth
City Clerk/Treasurer

RESOLUTION ATTACHMENT A

DECLARATION OF RESTRICTIONS, COVENANTS AND EASEMENTS

This Declaration of Restrictions, Covenants and Easement (hereinafter known as "Declaration") is made this ___ day of _____, 20___, by _____ ("Declarant").

Recitals

A. Declarant is the Owner of land in Cook County, Minnesota, described as the Easterly Parcel and the Westerly Parcel in Exhibit A, attached hereto and made a part hereof, (hereafter known as the "Property").

B. In recognition of the fact that there are existing buildings on the Property with a common wall placed on the dividing line between the adjacent Easterly and Westerly Parcels, as shown in Exhibit A, attached, and in recognition of the fact that the said adjacent parcels share certain utility lines and services, Declarant desires to subject the Property to the restrictions, covenants, easements, rights and responsibilities as set forth herein.

C. Declarant desires to benefit and to burden the Property and each present and future Owner of the Property with the Declaration and Declarant desires that this Declaration should run with the Property.

Now, Therefore, Declarant does hereby declare that when any of the Property is held, sold, conveyed, occupied, assigned, or any interest in any way transferred, the Property shall hereafter be subject to all of the easements, terms and conditions of this Declaration and the Declaration shall run with the land and shall bind and be enforceable on all Owners, present and future, and on all parties having any right title or interest in the Property or any part thereof, and the heirs, successors and assigns of all Owners.

**ARTICLE I
DEFINITIONS**

1. Definitions. The following words, when used in this Declaration, shall have the following meanings:

1.1 “Owner” shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot subject to this Declaration, but shall not mean or refer to the Mortgagee of any such Lot unless and until such Mortgage has been foreclosed and the period within which the fee Owner may redeem from such foreclosure has terminated. Where any Lot is sold by a Contract for Deed to a purchaser, the purchaser shall be considered the “Owner” of that Lot upon recording an executed Contract for Deed.

1.2 “Lot” shall mean and refer to the Westerly Parcel or the Easterly Parcel as described in Exhibit A, attached, constituting adjacent parcels of land within the Property.

**ARTICLE II
EASEMENT FOR UTILITIES**

2.1 Declarant does hereby grant, convey, and quit claim a utility easement over the Westerly Parcel in favor of the Easterly Parcel for the existing overhead power line serving the Easterly parcel and for the existing cable television cable, and city sewer and water lines crossing the Westerly Parcel to the Easterly Parcel and for the benefit of said Easterly Parcel.

2.2 The easement rights granted herein shall include the right to maintain, repair and replace the utility lines described above. Both parties shall share in the cost of those parts of the utility lines that mutually serve both the Westerly and the Easterly parcels.

**ARTICLE III
PARTY WALLS**

3.1 General Rules of Law to Apply. Each retaining wall or fence, and each structural wall which is built as part of the buildings existing on the said adjacent Lots, and placed on the dividing line between the adjacent Lots, shall constitute a party wall and to the extent not inconsistent with the provisions contained herein, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

3.2 Share of Repair and Maintenance. The cost of reasonable repair and maintenance of any party wall, and of the retaining wall running East and West on the rear of the Property shall be shared by the Owners who make use of the wall in proportion to such use.

3.3 Destruction by Fire or Other Casualty. If the party wall is destroyed or damaged by fire or other casualty, either Owner who has used the wall may restore it, and if the other Owner thereafter makes use of the wall that Owner shall contribute to the cost of restoration thereof in proportion to such use without prejudice however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

3.4 Weatherproofing. Notwithstanding any provisions contained herein, any Owner who by negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

3.5 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this section shall be appurtenant to the Lot and shall pass to such Owner's successors in title.

3.6 Encroachments. If, for whatever reason, a wall intended to be a party wall is not precisely constructed on the dividing line between the adjacent Lots during the life of the building containing such wall, the Lot upon which such party wall encroaches shall be subject to an easement for the life of such building which shall be in favor of and appurtenant to the other Lot, to the end that for all purposes of this Declaration, such wall shall be treated as if it were centered precisely upon the common dividing line. The same right of easement shall exist to the extent that any part of the existing building on one Lot encroaches on the other.

3.7 Arbitration. In the event of any dispute arising concerning the party wall, or under the provisions contained herein, each party shall choose one arbitrator and such arbitrators shall choose one additional arbitrator and the decision of a majority of all the arbitrators shall be final and conclusive of the question involved.

ARTICLE IV RESTRICTIONS ON USE OF PROPERTY

4.1 Subdivision Prohibited. No Lot may be subdivided or partitioned.

4.2 Residential Use. The Lots shall be used by Owners and their guests exclusively as private, single family residential dwellings, and not for transient, hotel, commercial, business or other non-residential purposes, except as provided in Section 4.3.

4.3 Business Use Restricted. No business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted on any Lot; except an Owner or occupant residing on a Lot may keep and maintain his or her business or professional records on such Lot and handle matters relating to such business by telephone or correspondence therefrom, provided that such uses are incidental to the residential

use, do not involve physical alteration of the Lot or building thereon and do not involve any observable business activities such as signs, advertising displays, bulk mailings, deliveries, or visitation or use of the Lot by customers or employees.

4.4 Leasing. Leasing of Lots and buildings thereon shall be allowed, and subject to the following conditions: (i) that no Lot shall be leased for purposes of occupancy by more than four people, except for occasional guests, (ii) that no Lot may be subleased, (iii) that all leases shall be in writing and shall provide that they are subordinate and subject to the provisions of the Declaration, (iv) Owners and occupants must abide by State and Federal Fair Housing Laws with regard to the sale or rental of the Property, and (v) that any failure of the lessee to comply with the terms of the Declaration shall be a default under the lease.

4.5 Quiet Enjoyment; Interference Prohibited. All Owners and their guests shall have a right of quiet enjoyment in their respective Lots, and shall use the Property in such a manner as will not cause a nuisance, nor unduly restrict, interfere with or impede the use of the Property by other Owners and their guests.

4.6 Compliance with Law. No use shall be made of the Property which would violate any then existing municipal codes or ordinances, or state or federal laws, nor shall any act or use be permitted which could cause waste to the Property, cause a material increase in insurance rates on the Property, or otherwise cause any unusual liability, health or safety risk, or expense, for the Owner and their guests.

4.7 Structure Color, Siding and Appearance. In the event there has been damage sustained to the siding or roof of any building, the same shall not be repaired or replaced in another color or type of roofing or siding unless agreed upon by both Owners. No decks, patios, dog kennels, fencing or additions to the building on either Lot shall be constructed without approval by both Owners.

4.8 Parking. Vehicles shall only be parked on the existing driveway or extended parking area next to the driveway on each Lot. No vehicles, trailers, snowmobiles, boats or other recreational vehicles shall be parked on the grass on either Lot.

ARTICLE V GENERAL PROVISIONS

5.1 Enforcement. In the event any Owner fails to comply with the provisions of this Declaration, such failure will give rise to a cause of action on the part of any aggrieved Owner for the recovery of damages or for injunctive relief, or both. Enforcement of these covenants may be by any proceeding at law or in equity.

5.2 Severability. Invalidation of any one of these covenants by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

EXHIBIT A

EASTERLY PARCEL

That part of Lots 1, 2 and 3, Block 10, HARBOR ADDITION to the City of Grand Marais, according to the recorded plat thereof, Cook County, Minnesota, which lies East of the following described line: Commencing at a point on the north line of said Lot 1 a distance of 73.19 feet west of the northeast corner of said Lot 1 as the point of beginning of the division line to be described; thence southerly 119.38 feet, more or less, to a point on the south line of said Lot 3, said point being a distance of 73.85 feet west of the southeast corner of said Lot 3, and said division line there terminating.

WESTERLY PARCEL

That part of Lots 1, 2 and 3, Block 10, HARBOR ADDITION to the City of Grand Marais, according to the recorded plat thereof, Cook County, Minnesota, which lies West of the following described line: Commencing at a point on the north line of said Lot 1 a distance of 73.19 feet west of the northeast corner of said Lot 1 as the point of beginning of the division line to be described; thence southerly 119.38 feet, more or less, to a point on the south line of said Lot 3, said point being a distance of 73.85 feet west of the southeast corner of said Lot 3, and said division line there terminating.

The EASTERLY PARCEL and the WESTERLY PARCEL are shown, for illustration purposes, on a reduced copy of a survey by Samuel G. Parker, R.L.S. # 10535, revised September 22, 2006 attached hereto as Exhibit B.

SURVEY FOR: DEANNA MAXWELL

A SUBDIVISION OF LOTS 1, 2 & 3 OF BLOCK 10, HARBOR ADDITION TO THE CITY OF GRAND MARAIS INTO TWO PARCELS

EASTERLY PARCEL:

That part of Lots 1, 2 and 3, Block 10, HARBOR ADDITION TO THE CITY OF GRAND MARAIS, according to the recorded plat thereof, Cook County, Minnesota which lies East of the following described line: Commencing at a point on the north line of said Lot 1 a distance of 73.19 feet west of the northeast corner of said Lot 1 as the point of beginning of the division line to be described, thence southerly 119.38 feet, more or less, to a point on the south line of said Lot 3, said point being a distance of 73.85 feet west of the southeast corner of said Lot 3 and said division line there terminating.

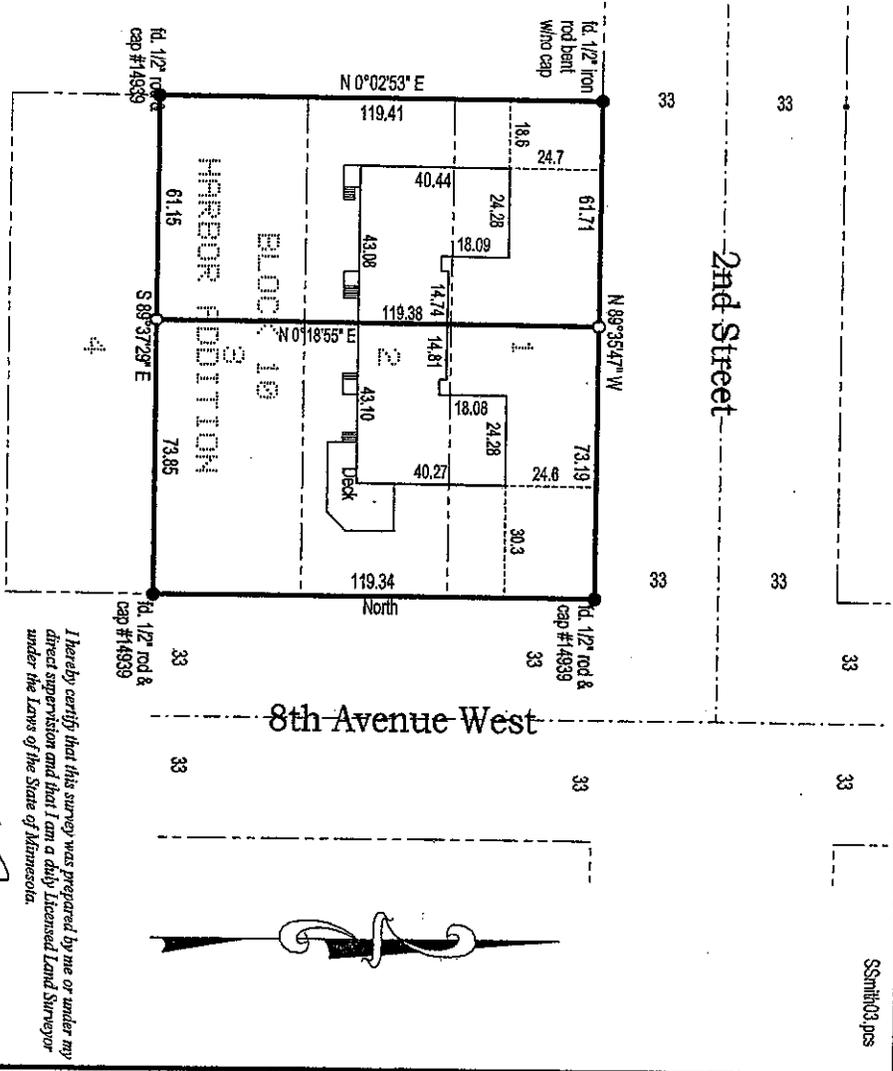
WESTERLY PARCEL:

That part of Lots 1, 2 and 3, Block 10, HARBOR ADDITION TO THE CITY OF GRAND MARAIS, according to the recorded plat thereof, Cook County, Minnesota which lies West of the following described line: Commencing at a point on the north line of said Lot 1 a distance of 73.19 feet west of the northeast corner of said Lot 1 as the point of beginning of the division line to be described, thence southerly 119.38 feet, more or less, to a point on the south line of said Lot 3, said point being a distance of 73.85 feet west of the southeast corner of said Lot 3 and said division line there terminating.



● Denotes 1/2" iron rod found

Note: Also see boundary survey of this property by Ken Hoffman, R.L.S., #14939 dated 10/22/91



SSmith03.pps

Samuel Parker, Land Surveyor - P.O. Box 38 - Luisean, MN 55612 - (218) 663 7528 - sam@parkerland.com

I hereby certify that this survey was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the Laws of the State of Minnesota.

Samuel G. Parker
 Samuel G. Parker, L.L.S.#10333
 March 11, 2003
 Revised to correct errant block number. Sept. 22, 2006

Memo

To: Mike Roth, City Administrator
From: Dave Tersteeg, Parks Manager
CC: City Council Members
Date: 6/18/2015
Re: Hiring recommendations for 2015 seasonal help at the Recreation Area

Another round of interviews for seasonal positions has concluded; I recommend hiring:

Noah Warren – seasonal maintenance

Michael Sussano – seasonal maintenance

CITY OF GRAND MARAIS
CITY COUNCIL RESOLUTION 2015-12

A RESOLUTION SUPPORTING REGIONAL TRAIL DESIGNATION FOR
COOK COUNTY MOUNTAIN BIKE TRAILS

BE IT RESOLVED, by the Grand Marais City Council that The City of Grand Marais, as joint applicant, has the authority to act as legal public sponsor for the application described in *Request for Designation as a Regional Park or Trail in Greater Minnesota*.

BE IT FURTHER RESOLVED, that as joint applicant we are fully aware of the information provided in the application and associated responsibilities, including long-term commitments as defined in the application and related master plan and supporting information as submitted.

BE IT FURTHER RESOLVED that, should *Cook County Mountain Bike Trails* receive formal designation as a Regional park or trail in Greater Minnesota by the Commission, that as the lead applicant or joint applicant(s)/partner(s) we have the legal authority to enter into formal designation and funding agreements with the Commission for the referenced park or trail.

BE IT FURTHER RESOLVED that listed applicant and joint applicant certify they will comply with all applicable laws and regulations associated with regional designation and any future grant funding for their respective portions of any project.

Passed by the City Council of the City of Grand Marais, Minnesota this 24th day of June, 2015.

(SEAL)

Mayor Jay Arrowsmith-Decoux

ATTEST:

Michael J. Roth
City Administrator

COOK COUNTY RESOLUTION NO. 2015-46

RESOLUTION SUPPORTING REGIONAL PARK OR TRAIL DESIGNATION APPLICATION IN GREATER MINNESOTA:

Park or trail name: Cook County Mountain Bike Trails

Location: Cook County Minnesota

Date of Resolution: June 16, 2015

Check below as identified on application:

- Lead Applicant (Cook County)
- Joint Applicant/Partner (City or County)

BE IT RESOLVED that *Cook County*, as lead applicant, has the authority to act as legal public sponsor for the application described in the *Request for Designation as a Regional Park or Trail in Greater Minnesota*.

BE IT FURTHER RESOLVED that as lead applicant and joint applicant(s)/partner(s) we are fully aware of the information provided in the application and associated responsibilities, including long-term commitments as defined in the application and related master plan and supporting information as submitted.

BE IT FURTHER RESOLVED that, should *Cook County Mountain Bike Trails* receive formal designation as a Regional park or trail in Greater Minnesota by the Commission, that as the lead applicant *we* have the legal authority to enter into formal designation and funding agreements with the Commission for the referenced park or trail.

BE IT FURTHER RESOLVED that listed applicant and joint applicant(s)/partner(s) certify they will comply with all applicable laws and regulations associated with regional designation and any future grant funding for their respective portions of any project.

I CERTIFY THAT the above resolution was adopted by the listed lead applicant and the Cook County Board.

Cook County Board of Commissioners

By _____
Heidi Doo-Kirk, Board Chair

Date _____

Witnessed:

Braidy Powers, Cook County Auditor-Treasurer

Date _____

Greater Minnesota Regional Parks and Trails Commission

Designation Application

General Section

Designation Application #: 15-061D Date Submitted: 06/15/2015

Park or Trail Name: Cook County Mountain Bike Trails

District #: 1 Map Coordinates (Latitude and Longitude): Latitude: 47.8913 Longitude: -90.4834

Location Description:

Mountain bike trails will be built in two clusters. One located at Pincushion Mountain Recreation Area near Grand Marais and the other at Britton Peak near Tofte.

Lead Applicant Organization: COOK COUNTY

Lead Contact First Name: Braidy Last Name: Powers

Mailing Address: 411 West 2nd Street

City: Grand Marais State: MN Zip: 55604

Phone: 218 387 3640 Email: braidy.powers@co.cook.mn.us

Joint Applicant #1 Organization: City of Grand Marais

Joint Applicant #2 Organization:

Joint Applicant #3 Organization:

Joint Applicant #4 Organization:

Describe other project supporters:

US Forest Service Cook County Visitors Bureau Local businesses Superior Cycling Association

Description Section

Classification: Special Recreational Feature Park

Total proposed acreage:

Overview/Description of Park or Trail:

The project will consist of two clusters of purpose built mountain bike trails. One located at Pincushion Mountain Recreation Area near Grand Marais and the other at Britton Peak near Tofte. Each of these clusters of mountain bike trails will consist of approximately 25 miles of trail to serve all levels of riders. The system of mountain bike trails will be a destination for mountain bike riders from around the Upper Midwest(similar to Cuyuna, Duluth, CAMBA, and Copper Harbor). Currently Pincushion Mountain has 10 miles of mountain bike trails open to riders and Britton Peak has 5 miles of trail open. The County has worked with the Superior Cycling Association to complete the existing trails. Future trail development

will require continued support from the Superior Cycling Association, US Forest Service, City of Grand Marais, Tofte Township, the Minnesota Department of Natural Resources, the Cook County Visitors Bureau, and local businesses. All trail design and construction will follow standards of the International Mountain Bike Association to assure all trail construction uses their design guidelines which promote sustainability and minimize maintenance. The projected budget for completion of the entire project is estimated to be \$1,500,000 Trail Development (37 miles@ \$30,000/mile) \$1,110,000

Acquisition	\$ 100,000	Trailhead Development
\$ 200,000 Misc.		\$ 90,000

What is the Acquisition and Development Status?

- New Park or Trail (no land acquired or developed)
- Existing Park or Trail
 - Land Acquisition
 - Status:
 - Percentage of Land Acquired:
 - Development Status
 - No Development
 - Some Development, but more Proposed
 - New Facilities Proposed
 - Existing Facilities to be Upgraded
 - Fully Development

Facility Listing Section

Classification: Special Recreational Feature Park	
Existing Facility List	Proposed Facility List
Hiking Trails (natural), Mountain Biking Trails (natural), Cross-country Skiing Trails, Roads and Parking Areas	Mountain Biking Trails (natural), Restrooms/sanitation building, Roads and Parking Areas

Master Plan Status Section

Master Plan Status: No Master Plan is Available

Describe Other Supportive Information:

N/A

Classification Details Section

Classification: Special Recreational Feature Park

Criteria #1 Provides a High-Quality Outdoor Recreation Experience: Destination mountain bike trails need to provide a high quality riding experience on trails which utilize recognized design standards and are located on terrain which allows all levels of riders to enjoy the experience. Systems must be of adequate length to give riders a multi day ride while in the area. Also, nearby communities must provide necessary amenities, i.e. lodging, restaurants, bike shops, entertainment, etc. A goal is to become an International Mountain Bike Association designated ride center.

Criteria #2 Provides a Natural and Scenic Setting Offering a Compelling Sense of Place: The setting for both Pincushion Mountain and Britton Peak trails is within the Superior National Forest. The Pincushion Mountain trails are located overlooking Lake Superior and take advantage of the forest setting, bedrock outcrops, significant elevation changes, and streams and rivers. Britton Peak trails are located in an area of maple hardwood forest with panoramic views of surrounding forest.

Criteria #3 Well-located to Serve a Regional Need and/or Tourist Destination: The Pincushion Mountain trails are connected to an established tourist destination, Grand Marais, which offers a variety of lodging options, restaurants, bike shop services, and other amenities which are required for a destination based trail system. Britton Peak trails are located 3 miles from Tofte and are located near the community of Lutsen, both recognized regional tourist destinations. Services available include; a variety of lodging options, restaurants, bike shop services, etc. Both Grand Marais and the communities of Tofte and Lutsen also offer recreational opportunities of regional significance; the Superior Hike Trail, Gitchi-Gammi Bike Trail, Boundary Waters Canoe Area Wilderness, and Cascade River and Temperance River State Parks.

Criteria #4 Fills a Gap in Recreational Opportunity within the Region: Destination mountain bike trails are relatively new to the list of recreation amenities in the state. There are quite a few local trails but only two true destination mountain bike trail systems exist in Greater Minnesota; Cuyuna and Duluth. The Cook County trails have the potential to become another destination location due to the outstanding terrain, forest setting, amount of public land available, support communities of Grand Marais, Tofte and Lutsen and all the additional recreation opportunities available to visitors.

Attachment List Section (only lists up to 10 documents)

Type	Description
Location Map	Location map added from general tab
Location Map	Location map added from general tab

Proposed Single Track Mountain Bike Trails Bridon Park



LAKE SUPERIOR

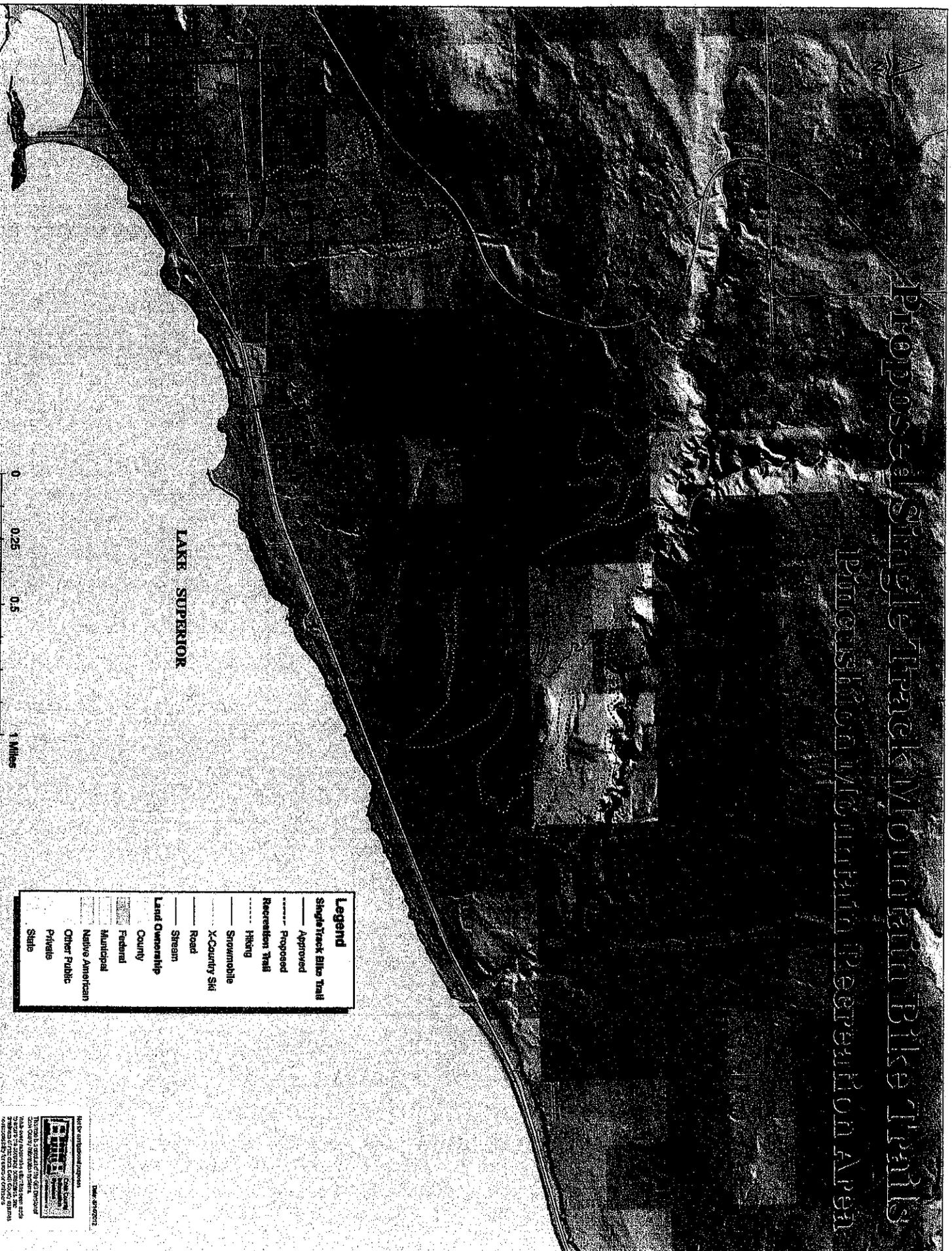
0 0.35 0.7 1.4 Miles



Legend	
▲	Summit
—	Planned phase IV (USFS approved)
—	Proposed (Lubsen Connect)
—	Constructed (2012)
—	Road
—	Recreation trail
—	Hiking
—	Snowmobile
—	X-County Sit
Land Ownership	
—	County
—	Federal
—	Municipal
—	Native American
—	Other Public
—	Private
—	State
—	Stream

Proposed Single Track Mountain Bike Trails

PINCHBURGH MOUNTAIN RECREATION AREA



LAKE SUPERIOR



Legend

- Single Track Bike Trail
- Approved
- Proposed
- Recreation Trail
- Hiking
- Snowmobile
- X-County Ski
- Road
- Stream
- Land Ownership
- County
- Federal
- Municipal
- Native American
- Other Public
- Private
- State

Map for informational purposes only. This map is not intended to be used for navigation. The user assumes all responsibility for any errors or omissions. The user agrees to hold the State of Michigan and the Department of Natural Resources harmless for any damages or losses resulting from the use of this map.

DATE: 05/20/2012

Upcoming Meeting Schedule

Updated June 19, 2015

Wednesday, June 24, 6:30 p.m.	City Council Meeting	Council Chambers
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JULY

Date/Time	Meeting	Location
Wednesday, July 8, 6:30 p.m.	City Council Meeting	Council Chambers
Wednesday, July 29, 6:30 p.m.	City Council Meeting	Council Chambers