



# Board of County Commissioners Agenda Request

**2L**  
Agenda Item #

**Requested Meeting Date:** May 27, 2025

**Title of Item:** LLCC LED Retrofit Loan

<input type="checkbox"/> REGULAR AGENDA <input checked="" type="checkbox"/> CONSENT AGENDA	<b>Action Requested:</b> <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <input type="checkbox"/> Hold Public Hearing <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Information Only
<b>Submitted by:</b> Dennis (DJ) Thompson		<b>Department:</b> Land
<b>Presenter (Name and Title):</b>		<b>Estimated Time Needed:</b>
<b>Summary of Issue:</b> <p>At the May 13, 2025 County Board meeting, Commissioners were presented with two options for funding a LED retrofit project for Long Lake Conservation Center. After discussion, the preferred option was for LLCC to borrow the funds from MLEC through a low-interest loan (see attached draft loan terms).</p> <p>Loan Terms Overview:</p> <ul style="list-style-type: none"><li>- 5-year term</li><li>- 3% interest rate</li><li>- 0% administrative service fee</li><li>- Loan payment of \$531.25/month (estimated savings of \$653.33/month)</li></ul>		
<b>Alternatives, Options, Effects on Others/Comments:</b>		
<b>Recommended Action/Motion:</b> Approve motion for Long Lake Conservation Center to enter into a loan agreement with Mille Lacs Energy Cooperative.		
<b>Financial Impact:</b> <p>Is there a cost associated with this request? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>What is the total cost, with tax and shipping? \$</p> <p>Is this budgeted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>Please Explain:</i></p> <p>Total loan is \$29,571.13. Amount paid each month for loan would be recouped in savings on electrical bills.</p>		

Legally binding agreements must have County Attorney approval prior to submission.

May 19, 2025

Amount: \$29,571.00

## LOAN AGREEMENT

This Agreement as of the date first written above between **Aitkin County**, a government organized and operating under the laws of the State of Minnesota, (hereinafter "Borrower") and **Mille Lacs Energy Cooperative**, a corporation duly organized and existing under the laws of the State of Minnesota (hereinafter "MLEC"), sets forth the terms and understandings between Borrower and Mille Lacs Energy Cooperative regarding a loan (the Loan) MLEC is making to Borrower for the sole purpose of assisting the Borrower in completing an LED Lighting Retrofit for all buildings at the Long Lake Conservation Center in Palisade, Minnesota.

BORROWER has contacted MLEC requesting the loan for the Project.

NOW THEREFORE, in consideration of the mutual agreements herein contained, MLEC and Borrower agree as follows:

### 1. Loan Terms:

- a. MLEC will lend Twenty-Nine Thousand Five Hundred Seventy-One Dollars (\$29,571.00) to Borrower, and Borrower shall use the loan proceeds to pay the costs related to an LED Lighting Retrofit for all buildings at the Long Lake Conservation Center in Palisade, Minnesota.
- b. MLEC shall be under no obligation to advance the Loan funds to Borrower unless and until the Borrower has delivered to MLEC evidence satisfactory to the Board of Directors that Borrower has obtained funds or received binding commitments for supplemental financing in the approximate amount of Seven Thousand Three Hundred Ninety-Two Dollars (\$7,392.00), by Borrower which amounts are needed in addition to the loan proceeds to pay all the costs of the LED Lighting Retrofit.
- c. Borrower shall repay the Loan in accordance with the Note to be executed by Borrower and made payable to MLEC. Borrower shall begin to repay the Loan on the date set forth in the Note and shall continue paying without interruption until all indebtedness associated with the Loan has been repaid in full on or before the first day of the sixtieth (60th) month following the advancement of funds (**Attachment A**).

- d. The Loan will bear interest at the rate of 3% per annum and shall be subject to increased interest, costs and other charges as provided in the Note described below.
- e. Borrower will be required to satisfy MLEC that all materials, supplies, and work has been purchased, paid for and fully completed for its intended use.
- f. If Borrower fails to satisfy all conditions, requirements, and terms prerequisite to the advance of the proceeds of the Loan from MLEC to Borrower, the Loan may be rescinded by MLEC.
- g. Borrower shall pay all loan closing costs, including attorney's fees and expenses in connection with the Loan.

**2. Affirmative Covenants:**

- a. Borrower shall execute and deliver the Promissory Note (the Note) to MLEC in the form attached hereto in order to evidence its obligation to repay the Loan by the terms of this Agreement and Note. Borrower shall pay all indebtedness evidenced by the Note in the manner and at the times described therein.
- b. Borrower covenants the proceeds of the Loan shall be used solely for the purpose of an LED Lighting Retrofit for all buildings at the Long Lake Conservation Center in Palisade, Minnesota.
- c. Borrower shall make all payments of principal and interest on the Note by the sixtieth (60th) month following the month and year funds were advanced.
- d. Borrower shall provide proof that all materials, supplies, and work has been purchased, paid for and fully completed for its intended use.
- e. Borrower agrees to fully comply with the Federal Regulations or Federal Statute, which the regulations identify as being applicable to activities contemplated by this Loan Agreement, including, but not limited to, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, Architectural Barriers Act, Uniform Federal Accessibility Act, Drug- free Work Place Act, Executive Order 12549, Debarment and Suspension, 31.

**3. Representations and Warranties:**

- a. Borrower represents and warrants that on and as of the date first set forth above:
  - 1. Borrower is a validly existing government under the laws of Minnesota with the authority to perform its obligations under this Agreement, the Note, and the Regulations.

2. The Agreement and the Note have been duly authorized, executed and delivered by Borrower, and such documents constitute the legal and binding agreements of Borrower, enforceable against Borrower in accordance with their respective terms, subject to (i) applicable bankruptcy, reorganization, insolvency, moratorium and other laws of general application relating to or affecting creditors' rights generally and (ii) the application of general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law.
3. The execution or the delivery by Borrower of this Agreement and the Note; the consummation of the transactions contemplated herein or therein; and the fulfillment by Borrower of the terms hereof or thereof, do not conflict with or violate, result in a breach of or constitute a default under any term or provision of the articles of incorporation and bylaws of Borrower or any law or regulation or any order now applicable to Borrower of any court, regulatory body having jurisdiction over Borrower, or the terms of any indenture, deed or trust, mortgage, note, note agreement or instrument to which Borrower or any of its properties is bound. Borrower has not received any notice from any other party to any of the foregoing that default affecting this Agreement has occurred or that any event or condition exists that with the giving of notice or lapse of time or both would constitute a default affecting this Agreement.
4. No approval, authorization, consent, order, registration, filing, qualification, license or permit of or with any state or federal court or governmental agency or body having jurisdiction over Borrower is required by Borrower for the consummation by Borrower of the transactions contemplated by this Agreement and Note except such as have been obtained.
5. There is no pending or threatened action, suit or proceeding before any court or governmental agency, authority or body or any arbitrator concerning Borrower, this Agreement or the Note which, if adversely determined, would have a material adverse effect on Borrower's ability to perform its obligations under this Agreement, and Note.
6. All information, reports and other papers and data furnished to MLEC by Borrower concerning the pre-application and application of Borrower for the

Loan were, at the time the same were so furnished, complete and correct in all material respects to the extent necessary to give MLEC a true and accurate knowledge of the subject matter and no document furnished or other written statement made to MLEC in connection with the Loan contains any untrue statement of a fact material to the financial condition of Borrower or the Project or omits to state such a material fact necessary in order to make the statements contained therein not misleading.

7. Borrower does not expect or intend the Project to result primarily in the transfer of any existing employment or business activity from one area to another.

**4. Default:**

- a. Upon the occurrence of an event of default as defined in this Agreement, the holder of the Note may declare all or any portion of the indebtedness arising under this Agreement, including indebtedness evidenced by the Note to be immediately due and payable and may proceed to enforce its rights under this Agreement, and the Note.
- b. As used in this Agreement, the term "event of default" shall mean the occurrence of any of the following:
  1. Any installment is not paid within ten (10) days of the date which it is required to be made, whether by acceleration or not; no written notice of this default is required of the Note Holder;
  2. Default shall be made in the due observance or performance of any of the covenants, conditions or agreements of Borrower, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to Borrower by the holder of the Note;
  3. An event of default shall have occurred and be continuing under any mortgage of Borrower which secures any form of financial assistance heretofore or hereafter furnished to Borrower by MLEC;
  4. Commencement of a case in bankruptcy by or against Borrower; or
  5. Application for appointment of a receiver for, making a general assignment for the benefit of creditors by, or insolvency of Borrower.

**5. Miscellaneous:**



- a. Every right or remedy herein conferred upon or reserved to the holder of the Note shall be cumulative and shall be in addition to every other right and remedy now or hereafter existing at law or in equity, or by statute or regulation.
- b. The invalidity of any one or more phrases, clauses, sentences, paragraphs or provisions of this agreement shall not affect the remaining portions hereof.

**6. Hazardous Waste Agreement:**

- a. Borrower will execute and deliver to Mille Lacs Energy Cooperative a Hazardous Waste Indemnification and Waiver Agreement if requested at any time.

**7. Other Requirements of the Borrower:**

- a. Documentation reasonably acceptable to MLEC that the Borrower has obtained binding commitments for an additional Seven Thousand Three Hundred Ninety-Two dollars (\$7,392.00) in Project financing.
- b. A copy of the documents under which Borrower was created and operates, with such documents clearly indicating that Borrower has the authority and right to enter into the Loan documents.
- c. A Certificate of Good Standing from the Office of the Secretary of State for the State of Minnesota indicating that Borrower is in good standing in the State of Minnesota.
- d. A certificate(s) of insurance or other proof acceptable to MLEC, evidencing that Borrower has in effect insurance coverage as required in this Agreement containing a provision that MLEC will be notified in writing by the insurance company at least 30 days in advance of any cancellation of or decrease in the amount of coverage of any such policy or policies.
- e. Such other and further documents, opinions and/or information as MLEC may reasonably require to evidence, perfect, and/or complete the contemplated transaction.

**8. Disbursement of Loan Proceeds:**

- a. Upon the satisfaction of all of the conditions specified herein, MLEC shall transmit, in one lump sum, the full proceeds of the Loan to Borrower upon Borrower's request. Provided, however, in the event that all of the conditions specified have not been satisfied by May 19, 2025, MLEC's obligation to make and fund the Loan shall terminate, and both Borrower and MLEC shall perform whatever acts and execute any documents which are reasonably required and necessary to evidence such termination and to satisfy any liens

which may have been placed on any real or personal property, and the Loan shall be deemed to be void ab initio.

**9. Other fees and charges:**

a. Professional Fees. In the event that MLEC, subsequent to the Closing Date, employs professional counsel or other professional (other than MLEC employees) in connection with:

1. any litigation, dispute, proceeding or action, or representation of MLEC in a case under the Bankruptcy Code, whether instituted by MLEC, Borrower, or any other person, this Agreement, or Borrower's affairs; and/or
2. any attempt to enforce any rights of MLEC against Borrower or any Obligor; then and in such event the reasonable expenses so incurred by MLEC, including without limitation, attorneys' fees and accountants' fees, expenses and charges, appraisal fees, and court costs, shall be payable on demand of MLEC, and shall become a part of the Obligation, and shall bear interest as otherwise provided in regard to the Loan.

IN WITNESS WHEREOF, **Mille Lacs Energy Cooperative** has caused this Agreement to be duly executed in its name and behalf and Borrower has caused this Agreement to be duly executed in its name and behalf, both intending it to become effective as of the date of the last required signature entered below.

APPROVED:

**1. BORROWER: Aitkin County, a Minnesota Government**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Aitkin County Representative, \_\_\_\_\_

**2. MILLE LACS ENERGY COOPERATIVE, a corporation under the laws of the State of Minnesota**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Sarah Cron, CEO

## Attachment A

**NAME:** Aitkin County on behalf of Long Lake Conservation Center  
LED Lighting Retrofit

**LOAN DATE:** 5/19/2025

**PRINCIPAL:** \$ 29,571.00

**RATE:** 3%

**MONTHLY PAYMENT:** \$531.35

**YEARS:** 5

**PENALTY:**

DATE	PAYMENT	PRINCIPAL	INTEREST	BALANCE	
7/1/2025	\$531.35	457.42	73.93	29,113.58	1
8/1/2025	\$531.35	457.17	74.18	28,656.41	2
9/1/2025	\$531.35	459.71	71.64	28,196.70	3
10/1/2025	\$531.35	460.86	70.49	27,735.84	4
11/1/2025	\$531.35	462.01	69.34	27,273.83	5
12/1/2025	\$531.35	463.17	68.18	26,810.66	6
		<u>2,760.34</u>	<u>427.76</u>		
1/1/2026	\$531.35	464.33	67.02	26,346.33	7
2/1/2026	\$531.35	465.49	65.86	25,880.84	8
3/1/2026	\$531.35	466.65	64.70	25,414.19	9
4/1/2026	\$531.35	467.82	63.53	24,946.37	10
5/1/2026	\$531.35	468.99	62.36	24,477.38	11
6/1/2026	\$531.35	470.16	61.19	24,007.22	12
7/1/2026	\$531.35	471.33	60.02	23,535.89	13
8/1/2026	\$531.35	472.51	58.84	23,063.38	14
9/1/2026	\$531.35	473.69	57.66	22,589.69	15
10/1/2026	\$531.35	474.88	56.47	22,114.81	16
11/1/2026	\$531.35	476.07	55.28	21,638.74	17
12/1/2026	\$531.35	477.26	54.09	21,161.48	18
		<u>5,649.18</u>	<u>727.02</u>		
1/1/2027	\$531.35	478.45	52.90	20,683.03	19
2/1/2027	\$531.35	479.64	51.71	20,203.39	20
3/1/2027	\$531.35	480.84	50.51	19,722.55	21
4/1/2027	\$531.35	482.05	49.30	19,240.50	22
5/1/2027	\$531.35	483.25	48.10	18,757.25	23
6/1/2027	\$531.35	484.46	46.89	18,272.79	24
7/1/2027	\$531.35	485.67	45.68	17,787.12	25
8/1/2027	\$531.35	486.88	44.47	17,300.24	26
9/1/2027	\$531.35	488.10	43.25	16,812.14	27
10/1/2027	\$531.35	489.32	42.03	16,322.82	28
11/1/2027	\$531.35	490.55	40.80	15,832.27	29
12/1/2027	\$531.35	491.77	39.58	15,340.50	30
		<u>5,820.98</u>	<u>555.22</u>		
1/1/2028	\$531.35	493.00	38.35	14,847.50	31
2/1/2028	\$531.35	494.23	37.12	14,353.27	32
3/1/2028	\$531.35	495.47	35.88	13,857.80	33
4/1/2028	\$531.35	496.71	34.64	13,361.09	34



## Attachment A

DATE	PAYMENT	PRINCIPAL	INTEREST	BALANCE	
5/1/2028	\$531.35	497.95	33.40	12,863.14	35
6/1/2028	\$531.35	499.19	32.16	12,363.95	36
7/1/2028	\$531.35	500.44	30.91	11,863.51	37
8/1/2028	\$531.35	501.69	29.66	11,361.82	38
9/1/2028	\$531.35	502.95	28.40	10,858.87	39
10/1/2028	\$531.35	504.20	27.15	10,354.67	40
11/1/2028	\$531.35	505.47	25.88	9,849.20	41
12/1/2028	\$531.35	506.73	24.62	<b>9,342.47</b>	42
		<u>5,998.03</u>	<u>378.17</u>		
1/1/2029	\$531.35	508.00	23.35	8,834.47	43
2/1/2029	\$531.35	509.27	22.08	8,325.20	44
3/1/2029	\$531.35	510.54	20.81	7,814.66	45
4/1/2029	\$531.35	511.82	19.53	7,302.84	46
5/1/2029	\$531.35	513.10	18.25	6,789.74	47
6/1/2029	\$531.35	514.38	16.97	6,275.36	48
7/1/2029	\$531.35	515.66	15.69	5,759.70	49
8/1/2029	\$531.35	516.95	14.40	5,242.75	50
9/1/2029	\$531.35	518.25	13.10	4,724.50	51
10/1/2029	\$531.35	519.54	11.81	4,204.96	52
11/1/2029	\$531.35	520.84	10.51	3,684.12	53
12/1/2029	\$531.35	522.14	9.21	<b>3,161.98</b>	54
		<u>6,180.49</u>	<u>195.71</u>		
1/1/2030	\$531.35	523.45	7.90	2,638.53	55
2/1/2030	\$531.35	524.76	6.59	2,113.77	56
3/1/2030	\$531.35	526.07	5.28	1,587.70	57
4/1/2030	\$531.35	527.38	3.97	1,060.32	58
5/1/2030	\$531.35	528.70	2.65	531.62	59
6/1/2030	\$532.95	531.62	1.33	<b>0.00</b>	60
		<u>3,161.98</u>	<u>27.72</u>		
Totals	<u>\$31,882.60</u>	<u>29,571.00</u>	<u>2,311.60</u>		