



Board of Commissioners

**\*\*\*ADJOURNED SESSION\*\*\***

Monday, January 26, 2026

4:00 PM

Carlton County Transportation Building  
1630 County Road 61, Carlton

Watch the meeting live at:

<https://www.carltoncountymn.gov/meetings>

1. Roll Call
2. Pledge of Allegiance to the Flag
3. Approve Consent Agenda and Items - The consent agenda is voted on without any discussion. Any commissioner may request an item be removed and added to the regular agenda.
4. Approve Regular Agenda
5. Visitors:
  - a.
  - b.
  - c.

**A. Consent Agenda**

1. Approve Minutes of the January 6, 2026, Annual Session
2. JET and AEOA Contracts
3. Human Services Advisory Committee
4. ACT Budget Addendum

**REGULAR AGENDA**

**B. Public Health & Human Services**

### **C. Zoning and Environmental Services**

1. Letter of Support for St. Louis County's Canyon Solid Waste Campus
2. SSTS Low-income Grant
3. Food Waste Collection and Transportation with Cloquet Riverside Recycling

### **D. Land and Building**

1. Wagner Easement Grant Application

### **E. Transportation**

1. Airport Property Lease
2. Final Payment

### **F. Public Safety**

### **G. Tax Matters**

### **H. Administrative - Other**

1. Contract for Adrienne Pearson - CHIPS
2. EDA Loan Edward Jones
3. North Country Strategies, LLC Professional Services Agreement

### **I. Unorganized Township Matters**

### **J. Commissioners Comments and Meetings Attended**

### **K. Correspondence**

Carlton County Board of Commissioners  
Item for Consideration (IFC)/ Agenda Item Cover Sheet

A-2  
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 01/26/26  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From/Presenter: Annie Napoli, Public Health & Human Service Director

Title of Item for Consideration: Purchase of Svcs Agreement with AEOA and JET for MFIP Employment & Training  
**Type of Action Requested** (check ONE)

- Info only, no action requested at this time
- Award contract or bid
- Approve by board action (motion and second only-i.e. refill position)
- Approve by board resolution (formal language "WHEREAS & NOW, THEREFORE, BE IT RESOLVED)
- 

**Fiscal Impact** (check all that apply)

- Yes  No  NA Item included under current budget
- Yes  No  NA Budget adjustment required
- Yes  No  NA Reviewed by Finance Committee

**Staffing Impact** (check all that apply)

- Yes  No  NA Duties of a County employee(s) may be materially affected
- Yes  No  NA Applicable job description(s) may require revision
- Yes  No  NA Item may change the department's authorized staffing level
- Yes  No  NA Reviewed by Human Resources

**Other**

- Yes  No  NA Reviewed by other Committee, Board or Commission
- If yes, committee name & recommendation:

**Summary**

Funds granted pursuant to the Biennial Service Agreement (BSA) will be expended for the purpose outlined in MN Statute, section 142G. Carlton County will contract with Arrowhead Economic Opportunity Agency and Northeast MN Office of Job Training to provide employment and training services outlined in MN Statute 145G.50. The County Board approved the BSA on 9/22/25 that included the allocation to the providers in the amount of \$318,523 (\$159,261.50/provider). Attached are the agreements for review.

**Supporting Attachments**

- Purchase of Service Agreements for Arrowhead Economic Opportunity Agency and Northeast MN Office of Job Training.
  -
- Amount of Contract: \$318,523, no county funds

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO: \_\_\_\_\_

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

**CARLTON COUNTY PUBLIC HEALTH & HUMAN SERVICES  
2026**

**PURCHASE OF SERVICE AGREEMENT**

This agreement made and entered into between:

Carlton County Public Health & Human Service  
Carlton County Board of Commissioners  
14 North 11<sup>th</sup> Street  
Cloquet, MN 55720

hereafter referred to as the Board, and

**ARROWHEAD ECONOMIC OPPORTUNITY AGENCY**  
Third Avenue and Sixth Street South  
Virginia, Minnesota, 55792

hereafter referred to as the Provider, enter into this  
agreement for the period from:

1st of January, 2026 to the 31st of December, 2026.

**WITNESSETH**

WHEREAS, Funds have been made available to the Board from the Minnesota Department of Human Services for the purpose of providing **MINNESOTA FAMILY INVESTMENT PROGRAM (MFIP)** Employment and Training Services (BRASS 237X) under Minnesota Statute 256J.50 and PL 104-193); and

WHEREAS, the Provider is qualified in accordance with state and federal standards to provide Employment and Training services and

WHEREAS, the Board wishes to purchase such MFIP & DWP (Diversionary Work Program) Employment and Training services from the Provider.

NOW THEREFORE, in consideration of the mutual understandings and agreements set forth, the Board and the Provider agree as follows:

I. Services Provided

The Provider agrees to furnish the following services:

**MFIP & DWP Program:** Orientation  
Employability Services Overview  
Assessments  
Job Support Plan

Employment Plan  
Job Readiness  
Job Placement  
On The Job Training  
Coordination/Referral  
Grant Diversion Services  
Community Work Experience Program (including  
procedures for implementing the Injury Protection  
Program (IPP), as described in Exhibit A)  
Functional Work Literacy Training

**Services will be provided at:**

Career Force Center - Carlton  
AEOA Office  
317 Walnut Ave  
Carlton, MN 55718

2. Payment and Delivery of Service - MFIP & DWP Programs

The Board agrees to pay the provider as follows:

- A. Monthly payments will be distributed to each contracted provider after the Board receives the detailed report from the contracted provider. A projected December 2026 invoice will be due to the Board by December 15, 2026. The final report for 2026 services is due to the Board by January 15, 2027.

Maximum payable for calendar year 2026 will be \$318,523 The maximum payment for each provider will be \$159,261.50.

- B. MFIP Performance Bonus Dollars: Performance bonus dollars will be distributed annually to employment and training service providers under the contract with the Carlton County Board of Commissioners as follows:

For calendar year 2026 performance bonus dollars are included in the maximum payable dollars listed in Item 2.A.

- C. Adjustments to payments - These payments will be reviewed annually in the last quarter of the calendar year and adjustments will be made to maximize the MFIP Consolidated Allocation. In the event that this adjustment exceeds

the annual Provider allocation, the Board may withhold this amount from the first quarter 2027 payment.

3. Eligibility for Services - MFIP & DWP Program

- A. Determination of eligibility shall be completed in accordance with procedures outlined in Exhibit A.
- B. Any change in eligibility will initiate a notice by either the Board or the Provider within 30 days to the other party; the participant will remain eligible for the Provider's services for six months after termination from MFIP or DWP.
- C. Eligibility categories: MFIP registrants are defined as persons who have applied for MFIP services and payments, and who have been determined eligible by the Board for those services and payments. DWP registrants are those determined eligible by the Board for those services and payments.

4. Payment Process

- A. The Board's obligation to make payment hereunder is subject to review by the Carlton County Public Health & Human Services to insure that payment is for an enrolled individual. Said review shall be the final determination of the Board's payment obligation. Nothing herein shall limit the rights of either party to collect from the other any sums improperly paid or improperly withheld.
- B. Payment for MFIP & DWP services provided shall be made according to procedures outlined in Exhibit A.
- C. The Board's obligation to make payment for MFIP & DWP services hereunder is subject to audit by the Board or its duly authorized designee and said audit shall be the final determination of the Board's payment obligation.
- D. The Provider will promptly reimburse to the Board any payments for MFIP & DWP received in excess of required payments hereunder.
- E. The Board and the Provider agree to monitor utilization and expenditures on a quarterly basis. If expenditures are substantially above or below projection, the Board and the Provider may consider modifications in the payments.
- F. The Board shall not be obligated to honor claims for services or costs incurred by the Provider which are not outlined in this Agreement.

5. Audit and Record Disclosure

The Provider shall provide the Board with the reports and comply with the audit and record requirements specified in Exhibit A under Audit and Record Disclosures.

6. Safeguard of Client Information

A. The use or disclosure by any party or of any private information concerning a client in a violation of any rule of confidentiality or for any purpose not directly connected with the administration of the Board's or the Provider's responsibility with respect to the Purchased Services is prohibited without the written consent of the client or responsible parent or guardian.

B. The Provider agrees to comply in all respects with the Minnesota Government Data Practices Act. Minn. Stat. Section 13.01-.48, and the Provider further agrees to comply with any requests of the Board which are necessitated by the Board's obligations under said Act.

7. Fair Hearing Appeal

Any determination, action, or inaction on the part of the Board relating to an individual's participation in the program is subject to the notice and hearing procedures in Minn. Stat. 256.045 and 268.86.

8. Equal Employment Opportunity and Civil Rights Clause

The Provider agrees to comply with the Civil Rights Act of 1964, Executive Order No. 11246 as amended, the Minnesota Human Rights Act, and all applicable federal and state laws, rules, regulations and orders prohibiting discrimination in employment, facilities and services. The Provider shall not discriminate in employment, facilities and in the rendering of purchased services hereunder on the basis of race, color, religion, age, sex, disability, marital status, public assistance status, creed, sexual preference or national origin.

9. Rehabilitation Act Clause

The Provider agrees to comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794) and all requirements imposed by the applicable HHS regulation (45 CFR Part 84), and all guidelines and interpretations issued pursuant thereto.

10. Bonding and Insurance

A. Fidelity Bonds

The Provider shall obtain and maintain at all times during the term of this agreement, a fidelity bond covering the activities of its personnel authorized to receive or distribute monies, in the amount of not less than \$50,000. Written verification of such bond shall be furnished to the County prior to the signing of this agreement.

B. Insurance

The Provider does further agree that in order to protect itself, as well as Carlton County, under the indemnity agreement provisions hereinabove set forth, the Provider will, at all times during the term of this agreement, have and keep in force a general liability insurance policy in the amount of not less than \$1.5 million per occurrence and \$3.0 million per aggregate.

C. Worker's Compensation: Per Statutory Requirements

D. Non Compliance: The Board reserves the right to rescind any contract not in compliance with these requirements and retains all rights thereafter to pursue any legal remedies against the Provider.

11. Indemnity

The Provider does hereby agree that it will indemnify, hold harmless, and defend Carlton County, its commissioners, officers, agents, employees and volunteer workers against any and all claims, losses, expenses, damages or lawsuits for damages which such parties or individuals may hereinafter sustain, incur, or be required to pay.

- (1) By reason of any eligible recipient suffering personal injury, death, or property loss or damage either while participating in or receiving from the Provider such services to be furnished by the Provider under this agreement, or while on premises owned, leased or operated by the Provider, or while being transported to or from said premises in any vehicle owned, operated, leased, chartered or otherwise contracted for by the Provider or any officer, agent, or employee thereof; or
- (2) By reason of any person employed by the Provider or alleged to be employed by the Provider, for any claim or cause of action in equity for damages arising out of the employment, alleged employment, discrimination; or

- (3) By reason of any intentional or negligent act or omission of the Provider, his agents, officers or employees in the performance of purchased services.

12. Maintenance of Effort and Expansion of Services

The Provider hereby certifies that the federal funds to be used under this Agreement do not replace or supplant in any way state or local funds. The Provider certifies that the amount to be expended in this Agreement results in increased expenditures by the Provider for services of the type being purchased to individuals of the type included under the Purchase Agreement.

13. Conditions of the Parties' Obligations

- A. It is understood and agreed that in the event the reimbursement by the Board from state and federal sources is not obtained and continued at an aggregate level sufficient to allow for the continued purchase of services, the obligations of each party hereunder shall thereupon be terminated.
- B. The Board may at any time evaluate the performance of the Provider in regard to the terms of this Agreement to determine whether such performance merits continuation of this Agreement.
- C. Any alterations variations, modifications or waivers of provisions of this agreement shall be valid only when they have been reduced to writing, duly signed, and attached to the original of this Agreement.
- D. In the event of a revision in federal regulations which might make this Agreement ineligible for federal financial participation, all parties will review this Agreement and renegotiate those items necessary to bring the Agreement into compliance with the new federal regulations.
- E. The Provider agrees to cooperate fully with the Board and its designated representatives in the development and implementation of the Provider's services. Evaluative data collected will be used by the Board in its funding decisions and will be shared with the Provider and community.
- F. The Provider agrees that in any reports, news releases, public service announcements or publications regarding the Provider's program, the Board will be identified as a funding source.

14. Subcontracting and Assignment

The Provider may enter into subcontracts for the performance of any of the responsibilities contemplated under this Agreement, subject to the approval of the Board. All subcontracts shall be subject to the legal, fiscal and programmatic requirements of this contract. The Provider shall continue to be responsible for the performance of the obligations of this Agreement, despite any subcontract.

15. Independent Contractor

The Provider is an independent contractor and not an employee or agent of the Board. No statement contained in this Agreement shall be construed so as to find the Provider to be an employee or agent of the Board and the Provider, its officers, employees and agents shall be entitled to none of the rights, privileges or benefits of the Board employees. Nothing contained herein is intended nor shall be construed as constituting the Provider, its officers, employees or agents as the agent, representative or employee of the Board for any purpose or in any manner, whatsoever.

16. Cancellation, Default and Remedy

A. This Agreement shall continue in effect until terminated by either party without cause, with 30 days advance, written notice delivered to the other party, served on the Director of Human Services, 14 North 11th Street, Cloquet, Minnesota, 55720, on behalf of the Board; and on the Director of Arrowhead Economic Opportunity Agency, Third Avenue and Sixth Street South, Virginia, Minnesota 55792 on behalf of the Provider.

B. In the event of default by either party, the non-defaulting party may cancel this Agreement immediately by sending written notice of cancellation to the defaulting party at its principal business address, notwithstanding the provisions of Paragraph 15.1 above. The failure of the defaulting party, including the failure of any employee of the defaulting party, to abide by any of the terms, conditions or requirements expressed in this Agreement shall constitute a default if not corrected within ten (10) days of receipt of written notice of deficiency from the Board.

C. Waiver of any default shall be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Agreement shall not be construed to be a modification of the terms of this Agreement unless stated to be such in writing, signed by an authorized representative of the Board upon resolution of the Board.

17. Single Instrument, Legality

- A. It is understood and agreed that the entire agreement of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof, as well as any previous agreements presently in effect between the Provider and the Board relating to the subject matter hereof.
  
- B. The provisions of this Agreement are severable. If a Court of Law holds any paragraph, section, subdivision, sentence, clause or phrase of this Agreement to be contrary to law, or contrary to any rule or regulation having the force and effect of law, such ruling shall not affect the remaining portions of this Agreement. However, upon the occurrence of such event, the parties shall immediately meet to negotiate a revised Agreement which does not violate the above-reference ruling.

IN WITNESS WHEREOF, Board and Provider agree that this contract is effective from January 1, 2026 to December 31, 2026.

CARLTON COUNTY BOARD  
OF COMMISSIONERS

PROVIDER

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Chairperson

Date: \_\_\_\_\_

Date: \_\_\_\_\_

CARLTON COUNTY PUBLIC HEALTH &  
HUMAN SERVICES

PROVIDER

\_\_\_\_\_  
Annie Napoli, Director

\_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form and execution:

\_\_\_\_\_  
Jeffrey Boucher  
County Attorney

EXHIBIT A

IMPLEMENTATION PROCEDURES

MFIP & DWP

I. Methods of Determining Eligibility

- A. The participant has the responsibility of requesting and obtaining eligibility determination from the Carlton County Public Health & Human Services Department before utilizing the services.
- B. The Carlton County Public Health & Human Services Department will determine MFIP & DWP eligibility in accordance with applicable federal and state law
- C. The Carlton County Public Health & Human Services Department will decide the MFIP & DWP eligibility of a participant within thirty (30) days of application for eligibility determination. The MFIP or DWP participant will be notified of his/her eligibility status and the MFIP participant will be referred to the Provider within thirty (30) days. DWP participants will be referred to the Provider within one (1) working day.
- D. The Provider has the responsibility to confirm that a participant is eligible to receive service prior to providing service. The Board will not be responsible for services provided to participants prior to eligibility determination.

II. Method of Payment Authorization

- A. The Provider agrees that all MFIP & DWP Services monies, including Community Work Experience Program, Grant Diversion and On the Job Training, received under this contract shall be expended to provide services as specified in Exhibit B.
- B. Allowable program components are:
  - 1. Orientation - stating the need for immediate employment; rights, responsibilities, obligations
  - 2. Employment Overview - work focus of MFIP & DWP; job search resources; financial program review

3. Assessments (Self Assessment Life Skills Survey) - assess the job seeker's ability to obtain and retain employment, looking at participant's education, past work history, job seeking background, finances, housing, health, etc.
4. Job Support Plan - specify job search activities.
5. Employment Plan – participant's overall employment goal and steps needed to achieve the goal
6. Job Readiness Activities - help participants be familiar with general work place expectations
7. Job Placement - job development and job placement activities by the Provider
8. On-The-Job Training - agreement with Provider and employer for client training needed for employment
9. Grant Diversion - provides subsidies to employers as an incentive to hire participants
10. Community Work Experience (CWEP) - enhance participant's employability through meaningful work experience
11. Educational Activity - specific to the needs of the participant. This includes:
  - a. high school, GED classes
  - b. basic and remedial education that will provide a person with a basic literacy level, in order to fulfill an employment goal (basic education is instruction to provide these educational skills for the first time; remedial education involves repetition of such instruction previously given to the participant), and
  - c. education in English proficiency for a person who is not sufficiently competent to speak, read, or write the English language to allow employment commensurate with his or her employability goal
  - d. post-secondary education - only on a very limited basis and with specific supporting documentation. Any education plan over 12 months needs approval by the county agency.

- C. The following types of expenditures are explicitly recognized as administrative costs for MFIP & DWP Services, Community Work Experience Program, MFIP Grant Diversion and on the Job Training (administrative costs shall not exceed 7.5% of the total cost and the maximum reimbursable is limited to 7.5% of the total MFIP consolidated fund allocation for Carlton County):

All other "administrative" costs, including overhead expenditures, subsystem costs, personnel costs (salaries and benefits) for staff not directly providing component services to participants (such as second-line supervisors and above), personnel administration costs, costs for processing and managing the Injury Protection Program (IPP) including investigations, medical reports or evaluations and all other indirect costs:

- D. The Provider will submit a monthly report to the Board by the 10th of each month listing the number and names of MFIP & DWP participants. The Board will make monthly payment to the provider.
- E. Provider will submit a quarterly report to the Board listing client related expenditures broken down as follows:

Client education  
Transportation  
Employment related  
Other

- F. Provider agrees to provide additional statistical reports to the Board or its representatives, as needed and / or requested as available in Work Force One.

### III. Audit and Record Disclosure

- A. Provider agrees that all monies received under this contract shall be expended for the services specified in the contract.
- B. Provider agrees to submit to the Board the information required to fulfill the terms of this Agreement and the information required by State law or policy.
- C. Provider agrees to allow personnel of the Board and Carlton County Human Services Department and, if appropriate, the Minnesota Department of Economic Security, access to the Provider's records at reasonable hours in order to exercise their right to audit Provider's records and to monitor services.

- D. Provider agrees to maintain records at Provider's offices for six years for audit purposes. Provider agrees to keep complete books and records according to generally accepted accounting principles which shall fully document receipt and expenditure of the payments received hereunder. Provider shall also keep such books and records as are required by the Board to fulfill the Board's reporting responsibility to the county, state and federal governments.
- E. Provider shall have an independent audit completed that complies with the requirements of OMB Circular A-133. The audit report will be forwarded to the Board within 30 days following its completion.

IV. Injury Protection Program (IPP)

Compliance with Injury Protection Program (IPP) Requirements: the contracted agency agrees to comply with Minnesota Statutes 2003, 256J.68 injury protection for work experience participants. The contracted agency shall perform all tasks necessary to implement IPP activities that relate to work site injury and subsequent referral of an injured participant to a medical provider for treatment of a possible work related injury or condition. The contracted agency shall also conduct activities necessary to properly process and submit an IPP claim. All IPP claims, medical provider bills, required forms and support documentation shall be forwarded to the county agency. Prior to assigning a participant to an unpaid work experience work site, the contracted agency will ensure that: the program participant will receive appropriate safety training and information required for this position and; the work site is in compliance with Occupational Safety and Health Administration (OSHA) and the Minnesota Department of Labor and Industry Safety Standards.

EXHIBIT B

**METHOD OF SERVICE DELIVERY**

**MFIP & DWP EMPLOYMENT SERVICES**

The overall objective of MFIP & DWP Employment Services is to move MFIP & DWP families toward long term economic self-sufficiency by utilizing the most direct path to unsubsidized employment.

The Provider of MFIP & DWP Services must be certified by the Minnesota Department of Jobs and Training as an Employment and Training Service Provider (ETSP) for duration of this contract.

The general sequence of events in MFIP & DWP Employment Services are the following:

- the county social services determines eligibility for MFIP & DWP
- the Department provides the job seeker with an orientation which includes MFIP & DWP program requirements
- client is referred to an Employment overview and selects provider
- job seeker has an assessment (self-assessment life skills survey) and employability determination completed
- provider/client complete job support plan with 6 week job search
- ongoing assessment completed if the above plan is not successful
- employment plan with steps to achieve goal is negotiated

**ORIENTATION:** This will state the need for immediate employment; work incentives; mandate to participate; consequences for failure to comply; rights, responsibilities, obligations; services available.

**EMPLOYMENT OVERVIEW:** Urgency and opportunity of obtaining employment; work focus on MFIP & DWP; limited use of training; CTC; Child Care; transitional year child care and Medical.

**ASSESSMENT (self assessment, life skills survey):** Review participant's ability to obtain and retain employment; education level; prior employment; ability to communicate in the English language; refresher courses needed, finances, housing, health, etc.

**JOB SUPPORT PLAN:** Specify job search activities; requirement to accept suitable offers of employment; supervision by the provider.

**ONGOING ASSESSMENT:** Completed for those job seekers who have barriers to employment that will not be overcome by job search and related support activities.

**EMPLOYMENT PLAN:** Includes the employment goal; activities and time frame necessary to achieve the goal; outline activity for continued job search, ESL, GED, work experience, OJT short term training. All post secondary education plans need to be approved by the county.

**JOB READINESS:** Activities that help prepare job seekers for work by assuring that they are familiar with general work place expectations and exhibit work behavior/attitudes to compete in the labor market.

**JOB PLACEMENT:** Job development and placement activities by the provider to solicit unsubsidized job openings from public or private employers, to discover such job openings, market job seekers, secure job interviews for job seekers.

**ON THE JOB TRAINING:** Permits voluntary participation by MFIP & DWP recipients. Payments are made to employers for ongoing job training costs that, during the period of training, must not exceed 50% of the wages paid by the employer to the participant. The payments are deemed to be in compensation for the extraordinary costs associated with the lower productivity of the participant during training,

The length of the training will be limited based upon the complexity of the job, and the recipients previous work experience and training. The employer agrees to retain the individual through the training period and beyond into unsubsidized employment.

**COMMUNITY WORK EXPERIENCE PROGRAM (CWEP):** Helps participants achieve self-sufficiency by enhancing their employability through meaningful work experience and development of job search skills. CWEP placements will be used in conjunction with skills training, job search, job readiness.

Employment counselors will assist the placement and monitor the job seeker's progress at each location. Work sites developed under this section are limited to projects that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development, and redevelopment, welfare, recreation, public facilities, public safety, community service, service to aged or disabled citizens, and child care. To the extent possible, prior training and experience of a recipient must be used in make appropriate work experience assignments.

**GRANT DIVERSION:** Uses the MFIP Grant to provide wage subsidies to employers as an incentive to hire MFIP recipients. Grant Diversion is one of the optional Employment and Training services. Priority will be given to employers who offer permanent full-time employment positions in the private, non-profit or public sector and who agree to hire individuals beyond the period of subsidized employment.

**COORDINATION:** Employment counselors will coordinate with and refer job seekers to other community agencies or groups for training, social and support services, including, but not limited to other partners of the Career Force Center. These services shall be provided in a manner that complies with the Employment and Training Program Sections of the current Local Service Plan for Carlton County and State Policy as specified in relevant DHS/DES Instructional Bulletins.

**FAMILY STABILIZATION SERVICES (FSS):**

Case management of FSS shall be the responsibility of ES providers and the regional Integrated Services Project (ISP) shall serve as the primary referral source. Job counselors shall conduct assessments on each intake, as is already done with all MFIP clients, and shall maintain monthly contact with FSS clients from then on. Ongoing communication between financial workers, job counselors and ISP advocates shall be required. The employment plan developed by the job counselor for FSS clients shall include assessment of strengths and barriers, identification of specific family circumstances that impact the plan, employment goals, when appropriate, appropriateness of referral to the ISP project, and identification of services, supports, education, training, and accommodations, as appropriate; the plan shall be reviewed by job counselors every six (6) months to determine the need for additions, deletions, or revisions.

**M** DEPARTMENT OF HUMAN  
SERVICES 2025-2027 STATE-COUNTY

**CIVIL RIGHTS ASSURANCE AGREEMENT**

The County Agency Carlton PH&HS agrees to comply with the civil rights assurance of compliance (hereafter "Civil Rights Assurance Agreement") as a condition of receiving Federal financial assistance through the Minnesota Department of Human Services. The Civil Rights Assurance Agreement is binding upon the County Agency, its successors, transferees, and assignees for as long as the County Agency receives Federal financial assistance. The Minnesota Department of Human Services may enforce all parts of the Civil Rights Assurance Agreement as a condition of receipt of such funds.

**Compliance by Contractors and Vendors:** The County Agency further agrees that by accepting this Civil Rights Assurance Agreement, it will obtain a written statement of assurance from all of its contractors and vendors (i.e., applying to all programs), assuring that they will also operate in compliance with the stated nondiscrimination laws, regulations, policies, and guidance. The written statement of assurance from all of its contractors and vendors must be maintained as part of the County Agency's *Comprehensive Civil Rights Plan* and must be made available for review upon request by the Minnesota Department of Human Services or the U.S. Department of Agriculture.

**RECIPIENT AGREES TO COMPLY WITH ALL APPLICABLE FEDERAL AND STATE CIVIL RIGHTS LAWS:**

The County Agency agrees to:

1. Administer all programs in accordance with the provisions contained in the Food and Nutrition Act of 2008, as amended, and in the manner prescribed by regulations issued pursuant to the Act; implement the FNS-approved State Plan of Operation for the Supplemental Nutrition Assistance Program (SNAP); comply with Title VI of the Civil Rights Act of 1964; section 11(c) of the Food and Nutrition Act of 2008, as amended; the Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; Title II of the Americans with Disabilities Act of 1990; Title IX of the Educational Amendments of 1972; and all the requirements imposed by the regulations issued pursuant to these Acts by the U.S. Department of Agriculture to the effect that, no person in the United States shall, on the grounds of race, color, national origin, sex, age, disability, political beliefs, or religion, be excluded from participation in, be denied the benefits of, or otherwise subject to discrimination under SNAP.
2. Administer all programs in accordance with U.S. Department of Health and Human Services requirements imposed by the regulations pursuant to Title VI of the Civil Rights Act of 1964; the Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; Title II of the Americans with Disabilities Act of 1990; Title IX of the Educational Amendments of 1972; Section 1557 of the Patient Protection and Affordable Care Act of 2010. Comply with the regulations to the effect that, no person in the United States shall, on the grounds of race, color, national origin, sex, age, disability, or religion, be excluded from participation in, be denied the

**benefits of, or otherwise subject to discrimination under U.S. Department of Health and Human Services programs.**

3. **Administer all programs in compliance with the Minnesota Human Rights Act, Public Services and Public Accommodations provisions; comply with all the requirements imposed by the Minnesota Human Rights Act to the effect that, no person in Minnesota shall, on the grounds of race, color, national origin, religion, creed, sex, sexual orientation, marital status, public assistance status, or disability, be excluded from participation in, be denied the benefits of or otherwise subject to discrimination under the Minnesota Human Rights Act. The County Agency and the Department of Human Services further agree to fully comply with any changes in Federal law and regulations. This agreement may be modified with the mutual consent of both parties.**

4. **The County Agency agrees that by accepting the Civil Rights Assurance it will compile data, maintain records, books and accounts; and submit reports as required to permit effective enforcement of the nondiscrimination laws. The County Agency also agrees to permit authorized Federal and State personnel, during normal working hours, to review such records, books, accounts, and reports as needed to determine compliance with the nondiscrimination laws.**

**By signing on behalf of the County Agency, I state that I am authorized to bind the County Agency to the terms of the 2025-2027 Civil Rights Assurance Agreement and commit it to the above provisions.**



**Signature of agency representative  
Carlton County PH&HS  
Name of County Agency**



**Print Name  
14 N 11 St Cloquet, MN 55720  
Street Address, City, State, Zip Code**

## **ADDENDUM**

**Clarification of SNAP Civil Rights Requirements — Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency (LEP)," and Titles II and III of the Americans with Disabilities Act.**

**This addendum clarifies core civil rights requirements to ensure meaningful access to programs, services, and information for persons with Limited English Proficiency (LEP) and persons with disabilities in accordance with Federal law, regulations, and current guidance from the U.S. Department of Department of Justice (DOJ) and the U.S. Department of Agriculture (USDA).**

### **Meaningful Access for LEP Individuals**

**State agencies that participate in the Supplemental Nutrition Assistance Program (SNAP) must take reasonable steps to ensure that LEP persons have meaningful access to programs, services, and benefits. This includes the requirement to provide bilingual program information and certification materials and interpretation services to single-language minorities in certain project areas. SNAP State agencies that do not provide meaningful access for LEP individuals risk violating prohibitions against discrimination based on National Origin in the Food and Nutrition Act of 2008, as amended, Title VI of the Civil Rights Act of 1964 (Title VI), and SNAP program regulations.**

### **Federal LEP regulations and guidance include:**

- **SNAP regulations provided by 7 CFR Part 272.4 (b), "Bilingual requirements";**
- **Executive Order 13166 of August 11, 2000, "Improving Access to Services for Persons with Limited English Proficiency," reprinted in 65 FR 50121, 50122 (August 16, 2000);**
- **DOJ policy guidance titled, "Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons," published in 67 FR 41455, 41457 (June 18, 2002); and**
- **USDA policy guidance titled, "Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons," 79 FR 70771-70784 (November 28, 2014).**

**Four Factor Analysis for Assessing LEP Needs**

To be in compliance, the Title VI guidance provided by DOJ and USDA instructs State Agencies to assess the LEP needs of the population served and determine the LEP services required by balancing four factors:

1. The number or proportion of persons with limited English proficiency are eligible to be served or likely to be encountered within the area serviced by the recipient;
2. The frequency with which persons with limited English proficiency come in contact with the program;
3. The nature and importance of the program, activity, or service to people's lives; and
4. The resources available to the recipient and costs.

SNAP State agencies must also comply with the specific requirements established by 7 CFR Part 272.4 (b) and should include these obligations in the LEP assessment.

**Developing an LEP Plan**

After completing an assessment of LEP needs, SNAP State agencies should develop an implementing plan to address the LEP needs of the population served. This may include contracting for oral interpretation services, hiring bilingual staff, arranging for telephone interpreters and/or language lines, coordinating community volunteers, translating vital documents, and providing written notice that language line services are available in appropriate languages. Quality and accuracy of the language service is critical in order to avoid serious consequences to the LEP person and to the recipient. LEP needs should be considered in developing State and local budgets and front line staff should understand how to obtain LEP services.

USDA's 2014 policy guidance includes detailed information on assessing LEP needs, identifying practices for translating documents that will be seen as strong evidence of compliance. For additional assistance and information on LEP matters, please also visit [www.fns.usda.gov](http://www.fns.usda.gov). The website includes online LEP mapping tools designed to help assess the language needs of the population served by a particular program or facility.

**Ensuring Equal Opportunity Access for Persons with Disabilities**

**SNAP State agencies must also ensure equal opportunity access for persons with disabilities. This includes ensuring that communications with applicants, participants, members of the public, and companions with disabilities are as effective as communications with people without disabilities. State agencies that do not provide persons with disabilities equal opportunity access to programs may risk violating prohibitions against disability discrimination in the Rehabilitation Act of 1978, the Americans with Disabilities Act (ADA), and SNAP program regulations.**

**DOJ published revised final regulations implementing Titles II and III of the ADA on September 15, 2010. These regulations are codified at 28 CFR Part 35, "Nondiscrimination on the Basis of Disability in State and Local Government Services" and 28 CFR Part 36, "Nondiscrimination on the Basis of Disability in Public Accommodations and Commercial Facilities." In accordance with the implementing regulations, State Agencies must provide auxiliary aids and services where necessary to ensure effective communication and equal opportunity access to program benefits for individuals with disabilities. The type of auxiliary aids and services required will vary, but a State agency may not require an individual with a disability to bring another individual to serve as an interpreter, and may rely on a person accompanying a disabled individual only in limited circumstances. When a State agency communicates with applicants and beneficiaries by telephone, it must provide text telephone services (TTY) or an equally effective electronic telecommunications system to communicate with individuals who are deaf, hard of hearing, or hearing impaired. State agencies must also ensure that interested persons, including people with low vision or who are hard of hearing can obtain information as to the existence and location of accessible services, activities, and facilities. For more information, please visit the ADA website: [www.ada.gov](http://www.ada.gov)**

**Please Deliver Signed  
2025-2027 STATE-COUNTY CIVIL RIGHTS ASSURANCE AGREEMENT to:**

**Civil Rights Coordinator  
Minnesota Department of Human Services  
Equal Opportunity and Access Division**

**P.O. Box 64997  
St. Paul, MN 55164-0997**

**CARLTON COUNTY PUBLIC HEALTH & HUMAN SERVICES  
2026**

**PURCHASE OF SERVICE AGREEMENT**

This agreement made and entered into between:

Carlton County Public Health & Human Service  
Carlton County Board of Commissioners  
14 North 11<sup>th</sup> Street  
Cloquet, MN 55720

hereafter referred to as the Board, and

**NORTHEAST MINNESOTA OFFICE OF JOB TRAINING**  
820 N. 9th Street, Suite 240, Box 1028  
Virginia, MN 55792

hereafter referred to as the Provider, enter into this  
agreement for the period from:

1st of January, 2026 to the 31st of December, 2026

**WITNESSETH**

WHEREAS, Funds have been made available to the Board from the Minnesota Department of Human Services for the purpose of providing **MINNESOTA FAMILY INVESTMENT PROGRAM (MFIP)** Employment and Training Services (BRASS 237X) under Minnesota Statute 256J.50 and PL 104-193; and

WHEREAS, the Provider is qualified in accordance with State and Federal Standards to provide Employment and Training Services; and

WHEREAS, the Board wishes to purchase such MFIP and DWP (Diversionary Work Program) Employment and Training services from the Provider.

NOW THEREFORE, in consideration of the mutual understandings and agreements set forth, the Board and the Provider agree as follows:

1. Services to be Provided

The Provider agrees to furnish the following services:

- A. MFIP and DWP Program:**  
Orientation  
Employability Services Overview  
Assessments  
Job Support Plan  
Employment Plan  
Job Readiness  
Job Placement  
On The Job Training

Coordination/Referral  
Grant Diversion Services  
Functional Work Literacy Training  
Community Work Experience Program (including procedures  
for implementing the Injury Protection Program (IPP),  
as described in Exhibit A)

- B. Services will be provided at:**  
Career Force Center - Carlton  
JET Office  
317 Walnut Ave.  
Carlton, MN 55718

2. Payment and Delivery of Service - MFIP & DWP Program

The Board agrees to pay the provider as follows:

- A. Monthly payments will be distributed to each contracted provider after the Board receives the detailed report from the contracted provider. A projected December 2026 invoice will be due to the Board by December 15, 2026. The final report for 2026 services is due to the Board by January 15, 2027.

Maximum payable for calendar year 2026 will be \$318,523. The maximum payment for each provider will be \$159,261.50.

- B. MFIP Performance Bonus Dollars: performance bonus dollars will be distributed annually to employment and training service providers under the contract with the Carlton County Board of Commissioners as follows:

For calendar year 2026 performance bonus dollars are included in the maximum payable dollars listed in item 2.A.

- C. Adjustments to payments - These payments will be reviewed annually in the last quarter of the calendar year and adjustments will be made to maximize the MFIP Consolidated Allocation. In the event that this adjustment exceeds the annual Provider allocation, the Board may withhold this amount from the first quarter 2027 payment.

3. Eligibility for Services - MFIP & DWP Program

- A. Determination of eligibility shall be completed in accordance with procedures outlined in Exhibit A.

- B. Any change in eligibility will initiate a notice by either the Board or the Provider within 30 days to the other party; the participant will remain eligible for the Provider's services for six months after termination from MFIP or DWP.
- C. Eligibility categories: MFIP registrants are defined as persons who have applied for MFIP services and payments, and who have been determined eligible by the Board for those services and payments. DWP registrants are those determined eligible by the Board for those services and payments.

4. Payment Process

- A. The Board's obligation to make payment hereunder is subject to review by the Carlton County Public Health & Human Services Department to insure that payment is for an enrolled individual. Said review shall be the final determination of the Board's payment obligation. Nothing herein shall limit the rights of either party to collect from the other any sums improperly paid or improperly withheld.
- B. Payment for MFIP and DWP services provided shall be made according to procedures outlined in Exhibit A.
- C. The Board's obligation to make payment for MFIP and DWP services hereunder is subject to audit by the Board or its duly authorized designee and said audit shall be the final determination of the Board's payment obligation.
- D. The Provider will promptly reimburse to the Board any payments for MFIP and DWP received in excess of required payments hereunder.
- E. The Board and the Provider agree to monitor utilization and expenditures on a quarterly basis. If expenditures are substantially above or below the projection, the Board and the Provider may consider modifications in the payments.
- F. The Board shall not be obligated to honor claims for services or costs incurred by the Provider which are not outlined in this Agreement.

5. Audit and Record Disclosure

The Provider shall provide the Board with the reports and comply with the audit and record requirements specified in Exhibit A under Audit and Record Disclosures.

6. Safeguard of Client Information

- A. The use or disclosure by any party or of any private information concerning a client in a violation of any rule of confidentiality or for any purpose not directly connected with the administration of the Board's or the Provider's responsibility with respect to the Purchased Services is prohibited without the written consent of the client or responsible parent or guardian.
- B. The Provider agrees to comply in all respects with the Minnesota Government Data Practices Act, Minn. Stat. Section 13.01-.48, and the Provider further

agrees to comply with any requests of the Board which are necessitated by the Board's obligations under said Act.

7. Fair Hearing Appeal

Any determination, action, or inaction on the part of the Board relating to an individual's participation in the program is subject to the notice and hearing procedures in Minn. Stat. 256.045 and 268.86.

8. Equal Employment Opportunity and Civil Rights Clause

The Provider agrees to comply with the Civil Rights Act of 1964, Executive Order No. 11246 as amended, the Minnesota Human Rights Act, and all applicable federal and state laws, rules, regulations and orders prohibiting discrimination in employment, facilities and services. Provider shall not discriminate in employment, facilities and in the rendering of purchased services hereunder on the basis of race, color, religion, age, sex, disability, marital status, public assistance status, sexual preference, creed or national origin.

9. Rehabilitation Act Clause

The Provider agrees to comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794) and all requirements imposed by the applicable HHS regulation (45 CFR Part 84), and all guidelines and interpretations issued pursuant thereto.

10. Bonding, Indemnity and Insurance

A. Fidelity Bonds

The Provider shall obtain and maintain at all times during the term of this agreement, a fidelity bond covering the activities of its personnel authorized to receive or distribute monies, in the amount of not less than \$50,000. Written verification of such bond shall be furnished to the County prior to the signing of this agreement.

B. Indemnity

The Provider does hereby agree that it will indemnify, hold harmless, and defend Carlton County, its commissioners, officers, agents, employees and volunteer workers against any and all claims, losses, expenses, damages or lawsuits for damages which such parties or individuals may hereinafter sustain, incur, or be required to pay.

- (1) By reason of any eligible recipient suffering personal injury, death, or property loss or damage either while participating in or receiving from the Provider such services to be furnished by the Provider under this agreement, or while on premises owned, leased or operated by the

Provider, or while being transported to or from said premises in any vehicle owned, operated, leased, chartered or otherwise contracted for by the Provider or any officer, agent, or employee thereof; or

- (2) By reason of any person employed by the Provider or alleged to be employed by the Provider, for any claim or cause of action in equity for damages arising out of the employment, alleged employment, discrimination; or
- (3) By reason of any intentional or negligent act or omission of the Provider, his agents, officers or employees in the performance of purchased services.

C. Insurance

The Provider does further agree that in order to protect itself, as well as Carlton County, under the indemnity agreement provisions hereinabove set forth, the Provider will, at all times during the term of this agreement, have and keep in force a general liability insurance policy in the amount of not less than \$1.5 million per occurrence and \$3.0 million per aggregate.

D. Worker's Compensation: Per Statutory Requirements

E. Non Compliance: The Board reserves the right to rescind any contract not in compliance with these requirements and retains all rights thereafter to pursue any legal remedies against the Provider.

11. Maintenance of Effort and Expansion of Services

The Provider hereby certifies that the federal funds to be used under this Agreement do not replace or supplant in any way state or local funds. The Provider certifies that the amount to be expended in this Agreement results in increased expenditures by the Provider for services of the type being purchased to individuals of the type included under the Purchase Agreement.

12. Conditions of the Parties' Obligations

- A. It is understood and agreed that in the event the reimbursement by the Board from state and federal sources is not obtained and continued at an aggregate level sufficient to allow for the continued purchase of services, the obligations of each party hereunder shall thereupon be terminated.
- B. The Board may at any time evaluate the performance of the Provider in regard to the terms of this Agreement to determine whether such performance merits continuation of this Agreement.
- C. Any alterations, variations, modifications or waivers of provisions of this agreement shall be valid only when they have been reduced to writing, duly signed, and attached to the original of this Agreement.
- D. In the event of a revision in federal regulations which might make this Agreement ineligible for federal financial participation, all parties will review this Agreement and renegotiate those items necessary to bring the Agreement into compliance with the new federal regulations.
- E. The Provider agrees to cooperate fully with the Board and its designated representatives in the development and implementation of the Provider's services. Evaluative data collected will be used by the Board in its funding decisions and will be shared with the Provider and community.
- D. The Provider agrees that in any reports, news releases, public service announcements or publications regarding the Provider's program, the Board will be identified as a funding source.

13. Indemnity

The Provider does hereby agree that it will indemnify, hold harmless, and defend Carlton County, its commissioners, officers, agents, employees, and volunteer workers against any and all claims, losses, expenses, damages, or lawsuits for damages which such parties or individuals may hereinafter sustain, incur, or be required to pay.

- (1) By reason of any eligible recipient suffering personal injury, death, or property loss or damage either while participating in or receiving from the Provider such services to be furnished by the Provider under this agreement, or while on premises owned, leased, or operated by the Provider, or while being transported to or from said premise in any vehicle owned, operated, leased, chartered, or otherwise contracted for by the Provider or any officer, agent, or employee thereof; or
- (2) By reason of any person employed by the Provider or alleged to be employed by the Provider, for any claim or cause of action in equity for damages arising out of the employment, discrimination; or
- (3) By reason of any intentional or negligent act or omission of the Provider, his agents,

officers, or employees in the performance of purchased services.

14. Subcontracting and Assignment

The Provider may enter into subcontracts for the performance of any of the responsibilities contemplated under this Agreement, subject to the approval of the Board. All subcontracts shall be subject to the legal, fiscal and programmatic requirements of this contract. The Provider shall continue to be responsible for the performance of the obligations of this Agreement, despite any subcontract.

15. Independent Contractor

The Provider is an independent contractor and not an employee or agent of the Board. No statement contained in this Agreement shall be construed so as to find the Provider to be an employee or agent of the Board and the Provider, its officers, employees and agents shall be entitled to none of the rights, privileges or benefits of the Board employees. Nothing contained herein is intended nor shall be construed as constituting the Provider, its officers, employees or agents as the agent, representative or employee of the Board for any purpose or in any manner, whatsoever.

16. Cancellation, Default and Remedy

A. This Agreement shall continue in effect until terminated by either party without cause, with 30 days advance, written notice delivered to the other party, served on the Director of Human Services, 14 N 11<sup>th</sup> Street, PO Box 660, Cloquet, MN 55720, on behalf of the Board; and on the Director of Northeast Office of Job Training, 820 N 9th St, Suite 240, Box 1028, Virginia, MN 55792, on behalf of the Provider.

B. In the event of default by either party, the non-defaulting party may cancel this Agreement immediately by sending written notice of cancellation to the defaulting party at its principal business address, notwithstanding the provisions of Paragraph 15a above.

The failure of the defaulting party, including the failure of any employee of the defaulting party, to abide by any of the terms, conditions or requirements expressed in this Agreement shall constitute a default if not corrected within ten (10) days of receipt of written notice of deficiency from the Board.

C. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Agreement shall not be construed to be a modification of the terms of this Agreement unless stated to be such in writing, signed by an authorized representative of the Board upon resolution of the Board.

17. Single Instrument, Legality

- A. It is understood and agreed that the entire agreement of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof, as well as any previous agreements presently in effect between the Provider and Board relating to the subject matter hereof.
  
- B. The provisions of this Agreement are severable. If a Court of law holds any paragraph, section, subdivision, sentence, clause or phrase of this Agreement to be contrary to law, or contrary to any rule or regulation having the force and effect of law, such ruling shall not affect the remaining portions of this Agreement. However, upon the occurrence of such event, the parties shall immediately meet to negotiate a revised Agreement which does not violate the above-referenced ruling.

IN WITNESS WHEREOF, Board and Provider agree that this contract is effective from January 1, 2026 to December 31, 2026.

CARLTON COUNTY  
BOARD OF COMMISSIONERS

PROVIDER

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

CARLTON COUNTY PUBLIC  
HEALTH & HUMAN SERVICES

PROVIDER

\_\_\_\_\_  
Annie Napoli, Director

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Approved as to form and execution:

\_\_\_\_\_  
Jeffrey Boucher  
County Attorney

EXHIBIT A

IMPLEMENTATION PROCEDURES

MFIP & DWP

I. Methods of Determining Eligibility

- A. The participant has the responsibility of requesting and obtaining eligibility determination from the Carlton County Public Health & Human Services Department before utilizing the services.
- B. The Carlton County Public Health & Human Services Department will determine MFIP & DWP eligibility in accordance with applicable federal and state law
- C. The Carlton County Public Health & Human Services Department will decide the MFIP & DWP eligibility of a participant within thirty (30) days of application for eligibility determination. The MFIP or DWP participant will be notified of his/her eligibility status and the MFIP Participant will be referred to the Provider within thirty (30) days. DWP participant will be referred to the Provider within one (1) working day.
- D. The Provider has the responsibility to confirm that a participant is eligible to receive service prior to providing service. The Board will not be responsible for services provided to clients prior to eligibility determination.

II. Method of Payment Authorization

- A. The Provider agrees that all MFIP and DWP Services monies, including Community Work Experience Program, Grant Diversion and On the Job Training, received under this contract shall be expended to provide services as specified in Exhibit B.

The provider will submit on or before the 10th working day of the month for the previous month a listing of the MFIP and DWP participants served. The Board agrees to make monthly payments to the Provider.

- B. Allowable program components are:
  - 1. Orientation - stating the need for immediate employment; rights, responsibilities, obligations
  - 2. Employment Overview - work focus of MFIP and DWP; job search resources; financial program review
  - 3. Assessments (self assessment life skills survey) - assess the job seeker's ability to obtain and retain employment, looking at participants education, past work history, job seeking background, finances, housing, health, etc.
  - 4. Job Support Plan - specify job search activities

5. Employment Plan – participant’s overall employment goal and steps needed to achieve the goal
6. Job Readiness Activities - help participants be familiar with general work place expectations
7. Job Placement - job development and job placement activities by the Provider
8. On-The-Job Training - agreement with Provider and employer for client training needed for employment
9. Grant Diversion - provides subsidies to employers as an incentive to hire participants
10. Community Work Experience (CWEP) - enhance participant’s employability through meaningful work experience
11. Educational Activity - specific to the needs of the participant. This includes:
  - a. high school, GED classes
  - b. basic and remedial education that will provide a person with a basic literacy level, in order to fulfill an employment goal (basic education is instruction to provide these educational skills for the first time; remedial education involves repetition of such instruction previously given to the participant), and
  - c. education in English proficiency for a person who is not sufficiently competent to speak, read, or write the English language to allow employment commensurate with his or her employability goal
  - d. post-secondary education - only on a very limited basis and with specific supporting documentation. Any education plan over 12 months needs approval by the county agency.

- C. The following types of expenditures are explicitly recognized as administrative costs for MFIP & DWP Services, Community Work Experience Program, MFIP Grant Diversion and on the Job Training (administrative costs shall not exceed 7.5% of the total cost and the maximum reimbursable is limited to 7.5% of the total MFIP Consolidated Fund Allocation for Carlton County):

All other "administrative" costs, including overhead expenditures, subsystem costs, personnel costs (salaries and benefits) for staff not directly providing component services to participants (such as second-line supervisors and above), personnel administration costs, costs for processing and managing

the Injury Protection Program (IPP) including investigations, medical reports or evaluations and all other indirect costs.

- D. The Provider will submit a monthly report to the Board by the 10th of each month listing the number and names of MFIP & DWP participants. The Board agrees to make monthly payments to the Provider.
- E. Provider will submit a quarterly report to the Board listing client related expenditures broken down as follows:

- Client education
- Transportation
- Employment related
- Other

- F. Provider agrees to provide additional statistical reports to the Board or its representatives, as needed and / or requested as available in Work Force One.

### III. Audit and Record Disclosure

- A. Provider agrees that all monies received under this contract shall be expended for the services specified in the contract.
- B. Provider agrees to submit to the Board the information required to fulfill the terms of this Agreement and the information required by State law or policy.
- C. Provider agrees to allow personnel of the Board and Carlton County Human Services Department and, if appropriate, the Minnesota Department of Economic Security, access to the Provider's records at reasonable hours in order to exercise their right to audit Provider's records and to monitor services.
- D. Provider agrees to maintain records at Provider's offices for six years for audit purposes. Provider agrees to keep complete books and records according to generally accepted accounting principles which shall fully document receipt and expenditure of the payments received hereunder. Provider shall also keep such books and records as are required by the Board to fulfill the Board's reporting responsibility to the county, state and federal governments.
- E. Provider shall have an independent audit completed that complies with the requirements of OMB Circular A-133. The audit report will be forwarded to the Board within 30 days following its completion.

IV. Injury Protection Program (IPP) : INDEMNITY CLAUSE

Compliance with Injury Protection Program (IPP) Requirements: the contracted agency agrees to comply with Minnesota Statutes 2003, 256J.68 injury protection for work experience participants. The contracted agency shall perform all tasks necessary to implement IPP activities that relate to work site injury and subsequent referral of an injured participant to a medical provider for treatment of a possible work related injury or condition. The contracted agency shall also conduct activities necessary to properly process and submit an IPP claim. All IPP claims, medical provider bills, required forms and support documentation shall be forwarded to the county agency. Prior to assigning a participant to an unpaid work experience work site, the contracted agency will ensure that: the program participant will receive appropriate safety training and information required for this position and; the work site is in compliance with Occupational Safety and Health Administration (OSHA) and the Minnesota Department of Labor and Industry Safety Standards.

## EXHIBIT B

### METHOD OF SERVICE DELIVERY

#### **MFIP & DWP EMPLOYMENT SERVICES**

The overall objective of MFIP & DWP Employment Services is to move MFIP & DWP families toward long term economic self-sufficiency by utilizing the most direct path to unsubsidized employment.

The Provider of MFIP & DWP Services must be certified by the Minnesota Department of Jobs and Training as an Employment and Training Service Provider (ETSP) for duration of this contract.

The general sequence of events in MFIP & DWP Employment Services are the following:

- The county social services determines eligibility for MFIP & DWP
- The Department provides the job seeker with an orientation which includes MFIP & DWP requirements
- The client is referred to an Employment overview and selects provider
- The job seeker has assessment and employability determination completed or self assessment life skills survey.
- The provider/client complete job support plan with 6 week job search
- Ongoing assessment completed if the above plan is not successful
- Employment plan with steps to achieve goal is negotiated

**ORIENTATION:** This will state the need for immediate employment; work incentives; mandate to participate; consequences for failure to comply; rights, responsibilities, obligations; services available.

**EMPLOYMENT OVERVIEW:** Urgency and opportunity of obtaining employment; work focus on MFIP & DWP; limited use of training; CTC; Child Care; transitional year child care and Medical.

**ASSESSMENT, (Self Assessment Life Skills Survey):** Review participant's ability to obtain and retain employment; education level; prior employment; ability to communicate in the English language; refresher courses needed: finances, housing, health, etc.

**JOB SUPPORT PLAN:** Specify job search activities; requirement to accept suitable offers of employment; supervision by the provider.

**ONGOING ASSESSMENT:** Completed for those job seekers who have barriers to employment that will not be overcome by job search and related support activities.

**EMPLOYMENT PLAN:** Includes the employment goal; activities and time frame necessary to achieve the goal; outline activity for continued job search, ESL, GED, work experience, OJT short term training. All post secondary education plans need to be approved by the county.

**JOB READINESS:** Activities that help prepare job seekers for work by assuring that they are familiar with general work place expectations and exhibit work behavior/attitudes to compete in the labor market.

**JOB PLACEMENT:** Job development and placement activities by the provider to solicit unsubsidized job openings from public or private employers, to discover such job openings, market job seekers, secure job interviews for job seekers.

**ON THE JOB TRAINING:** Permits voluntary participation by MFIP & DWP recipients. Payments are made to employers for ongoing job training costs that, during the period of training, must not exceed 50% of the wages paid by the employer to the participant. The payments are deemed to be in compensation for the extraordinary costs associated with the lower productivity of the participant during training,

The length of the training will be limited based upon the complexity of the job, and the recipients previous work experience and training. The employer agrees to retain the individual through the training period and beyond into unsubsidized employment.

**COMMUNITY WORK EXPERIENCE PROGRAM (CWEP):** Helps participants achieve self-sufficiency by enhancing their employability through meaningful work experience and development of job search skills. CWEP placements will be used in conjunction with skills training, job search, job readiness.

Employment counselors will assist the placement and monitor the job seeker's progress at each location. Work sites developed under this section are limited to projects that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development, and redevelopment, welfare, recreation, public facilities, public safety, community service, service to aged or disabled citizens, and child care. To the extent possible, prior training and experience of a recipient must be used in make appropriate work experience assignments.

**GRANT DIVERSION:** Uses the MFIP Grant to provide wage subsidies to employers as an incentive to hire MFIP recipients. Grant Diversion is one of the optional Employment and Training services. Priority will be given to employers who offer permanent full-time employment positions in the private, non-profit or public sector and who agree to hire individuals beyond the period of subsidized employment.

**COORDINATION:** Employment counselors will coordinate with and refer job seekers to other community agencies or groups for training, social and support services, including, but not limited to other partners of the Career Force Center.

These services shall be provided in a manner that complies with the Employment and Training Program Sections of the current Local Service Plan for Carlton County and State Policy as specified in relevant DHS/DES Instructional Bulletins.

**FAMILY STABILIZATION SERVICES (FSS):**

Case management of FSS shall be the responsibility of ES providers and the regional Integrated Services Project (ISP) shall serve as the primary referral source. Job counselors shall conduct assessments on each intake, as is already done with all MFIP clients, and shall maintain monthly contact with FSS clients from then on. Ongoing communication between financial workers, job counselors and ISP advocates shall be required. The employment plan developed by the job counselor for FSS clients shall include assessment of strengths and barriers, identification of specific family circumstances that impact the plan, employment goals, when appropriate, appropriateness of referral to the ISP project, and identification of services, supports, education, training, and accommodations, as appropriate; the plan shall be reviewed by job counselors every six (6) months to determine the need for additions, deletions, or revisions.

STATE COUNTY CIVIL RIGHTS ASSURANCE AGREEMENT

**DEPARTMENT OF HUMAN**  
**M SERVICES 2025-2027 STATE-COUNTY**

**CIVIL RIGHTS ASSURANCE AGREEMENT**

The County Agency Carlton PH&HS agrees to comply with the civil rights assurance of compliance (hereafter "Civil Rights Assurance Agreement") as a condition of receiving Federal financial assistance through the Minnesota Department of Human Services. The Civil Rights Assurance Agreement is binding upon the County Agency, its successors, transferees, and assignees for as long as the County Agency receives Federal financial assistance. The Minnesota Department of Human Services may enforce all parts of the Civil Rights Assurance Agreement as a condition of receipt of such funds.

**Compliance by Contractors and Vendors:** The County Agency further agrees that by accepting this Civil Rights Assurance Agreement, it will obtain a written statement of assurance from all of its contractors and vendors (i.e., applying to all programs), assuring that they will also operate in compliance with the stated nondiscrimination laws, regulations, policies, and guidance. The written statement of assurance from all of its contractors and vendors must be maintained as part of the County Agency's *Comprehensive Civil Rights Plan* and must be made available for review upon request by the Minnesota Department of Human Services or the U.S. Department of Agriculture.

**RECIPIENT AGREES TO COMPLY WITH ALL APPLICABLE FEDERAL AND STATE CIVIL RIGHTS LAWS:**

The County Agency agrees to:

1. Administer all programs in accordance with the provisions contained in the Food and Nutrition Act of 2008, as amended, and in the manner prescribed by regulations issued pursuant to the Act; implement the FNS-approved State Plan of Operation for the Supplemental Nutrition Assistance Program (SNAP); comply with Title VI of the Civil Rights Act of 1964; section 11(c) of the Food and Nutrition Act of 2008, as amended; the Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; Title II of the Americans with Disabilities Act of 1990; Title IX of the Educational Amendments of 1972; and all the requirements imposed by the regulations issued pursuant to these Acts by the U.S. Department of Agriculture to the effect that, no person in the United States shall, on the grounds of race, color, national origin, sex, age, disability, political beliefs, or religion, be excluded from participation in, be denied the benefits of, or otherwise subject to discrimination under SNAP.
2. Administer all programs in accordance with U.S. Department of Health and Human Services requirements imposed by the regulations pursuant to Title VI of the Civil Rights Act of 1964; the Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; Title II of the Americans with Disabilities Act of 1990; Title IX of the Educational Amendments of 1972; Section 1557 of the Patient Protection and Affordable Care Act of 2010. Comply with the regulations to the effect that, no person in the United States shall, on the grounds of race, color, national origin, sex, age, disability, or religion, be excluded from participation in, be denied the

**benefits of, or otherwise subject to discrimination under U.S. Department of Health and Human Services programs.**

**3. Administer all programs in compliance with the Minnesota Human Rights Act, Public Services and Public Accommodations provisions; comply with all the requirements imposed by the Minnesota Human Rights Act to the effect that, no person in Minnesota shall, on the grounds of race, color, national origin, religion, creed, sex, sexual orientation, marital status, public assistance status, or disability, be excluded from participation in, be denied the benefits of or otherwise subject to discrimination under the Minnesota Human Rights Act. The County Agency and the Department of Human Services further agree to fully comply with any changes in Federal law and regulations. This agreement may be modified with the mutual consent of both parties.**

**4. The County Agency agrees that by accepting the Civil Rights Assurance it will compile data, maintain records, books and accounts; and submit reports as required to permit effective enforcement of the nondiscrimination laws. The County Agency also agrees to permit authorized Federal and State personnel, during normal working hours, to review such records, books, accounts, and reports as needed to determine compliance with the nondiscrimination laws.**

**By signing on behalf of the County Agency, I state that I am authorized to bind the County Agency to the terms of the 2025-2027 Civil Rights Assurance Agreement and commit it to the above provisions.**



**Signature of agency representative  
Carlton County PH&HS  
Name of County Agency**



**Print Name  
14 N 11 St Cloquet, MN 55720  
Street Address, City, State, Zip Code**

## **ADDENDUM**

### **Clarification of SNAP Civil Rights Requirements — Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency (LEP)," and Titles II and III of the Americans with Disabilities Act.**

**This addendum clarifies core civil rights requirements to ensure meaningful access to programs, services, and information for persons with Limited English Proficiency (LEP) and persons with disabilities in accordance with Federal law, regulations, and current guidance from the U.S. Department of Department of Justice (DOJ) and the U.S. Department of Agriculture (USDA).**

#### **Meaningful Access for LEP Individuals**

**State agencies that participate in the Supplemental Nutrition Assistance Program (SNAP) must take reasonable steps to ensure that LEP persons have meaningful access to programs, services, and benefits. This includes the requirement to provide bilingual program information and certification materials and interpretation services to single-language minorities in certain project areas. SNAP State agencies that do not provide meaningful access for LEP individuals risk violating prohibitions against discrimination based on National Origin in the Food and Nutrition Act of 2008, as amended, Title VI of the Civil Rights Act of 1964 (Title VI), and SNAP program regulations.**

#### **Federal LEP regulations and guidance include:**

- **SNAP regulations provided by 7 CFR Part 272.4 (b), "Bilingual requirements";**
- **Executive Order 13166 of August 11, 2000, "Improving Access to Services for Persons with Limited English Proficiency," reprinted in 65 FR 50121, 50122 (August 16, 2000);**
- **DOJ policy guidance titled, "Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons," published in 67 FR 41455, 41457 (June 18, 2002); and**
- **USDA policy guidance titled, "Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons," 79 FR 70771-70784 (November 28, 2014).**

#### **Four Factor Analysis for Assessing LEP Needs**

**To be in compliance, the Title VI guidance provided by DOF and USDA instructs State Agencies to assess the LEP needs of the population served and determine the LEP services required by balancing four factors:**

- 1. The number or proportion of persons with limited English proficiency are eligible to be served or likely to be encountered within the area serviced by the recipient;**
- 2. The frequency with which persons with limited English proficiency come in contact with the program;**
- 3. The nature and importance of the program, activity, or service to people's lives; and**
- 4. The resources available to the recipient and costs.**

**SNAP State agencies must also comply with the specific requirements established by 7 CFR Part 272.4 (b) and should include these obligations in the LEP assessment.**

#### **Developing an LEP Plan**

**After completing an assessment of LEP needs, SNAP State agencies should develop an implementing plan to address the LEP needs of the population served. This may include contracting for oral interpretation services, hiring bilingual staff, arranging for telephone interpreters and/or language lines, coordinating community volunteers, translating vital documents, and providing written notice that language line services are available in appropriate languages. Quality and accuracy of the language service is critical in order to avoid serious consequences to the LEP person and to the recipient. LEP needs should be considered in developing State and local budgets and front line staff should understand how to obtain LEP services.**

**USDA's 2014 policy guidance includes detailed information on assessing LEP needs, identifying practices for translating documents that will be seen as strong evidence of compliance. For additional assistance and information on LEP matters, please also visit [www.fns.usda.gov](http://www.fns.usda.gov). The website includes online LEP mapping tools designed to help assess the language needs of the population served by a particular program or facility.**

**Ensuring Equal Opportunity Access for Persons with Disabilities**

**SNAP State agencies must also ensure equal opportunity access for persons with disabilities. This includes ensuring that communications with applicants, participants, members of the public, and companions with disabilities are as effective as communications with people without disabilities. State agencies that do not provide persons with disabilities equal opportunity access to programs may risk violating prohibitions against disability discrimination in the Rehabilitation Act of 1978, the Americans with Disabilities Act (ADA), and SNAP program regulations.**

**DOJ published revised final regulations implementing Titles II and III of the ADA on September 15, 2010. These regulations are codified at 28 CFR Part 35, "Nondiscrimination on the Basis of Disability in State and Local Government Services" and 28 CFR Part 36, "Nondiscrimination on the Basis of Disability in Public Accommodations and Commercial Facilities." In accordance with the implementing regulations, State Agencies must provide auxiliary aids and services where necessary to ensure effective communication and equal opportunity access to program benefits for individuals with disabilities. The type of auxiliary aids and services required will vary, but a State agency may not require an individual with a disability to bring another individual to serve as an interpreter, and may rely on a person accompanying a disabled individual only in limited circumstances. When a State agency communicates with applicants and beneficiaries by telephone, it must provide text telephone services (TTY) or an equally effective electronic telecommunications system to communicate with individuals who are deaf, hard of hearing, or hearing impaired. State agencies must also ensure that interested persons, including people with low vision or who are hard of hearing can obtain information as to the existence and location of accessible services, activities, and facilities. For more information, please visit the ADA website: [www.ada.gov](http://www.ada.gov)**

**Please Deliver Signed  
2025-2027 STATE-COUNTY CIVIL RIGHTS ASSURANCE AGREEMENT to:**

**Civil Rights Coordinator  
Minnesota Department of Human Services  
Equal Opportunity and Access Division**

**P.O. Box 64997  
St. Paul, MN 55164-0997**

Carlton County Board of Commissioners  
Item for Consideration (IFC)/ Agenda Item Cover Sheet

A-3  
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 1/26/26  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From/Presenter: Annie Napoli, PHS Director

Title of Item for Consideration: Human Services Advisory Committee Membership

**Type of Action Requested** (check ONE)

- Info only, no action requested at this time  
 Award contract or bid  
 Approve by board action (motion and second only-i.e. refill position)  
 Approve by board resolution (formal language "WHEREAS & NOW, THEREFORE, BE IT RESOLVED")

**Fiscal Impact** (check all that apply)

- Yes  No  NA Item included under current budget  
 Yes  No  NA Budget adjustment required  
 Yes  No  NA Reviewed by Finance Committee

**Staffing Impact** (check all that apply)

- Yes  No  NA Duties of a County employee(s) may be materially affected  
 Yes  No  NA Applicable job description(s) may require revision  
 Yes  No  NA Item may change the department's authorized staffing level  
 Yes  No  NA Reviewed by Human Resources

**Other**

- Yes  No  NA Reviewed by other Committee, Board or Commission  
If yes, committee name & recommendation:

**Summary**

Currently we have five HSAC members and we would like to have additional membership, especially from District 4 and 5. The committee meets quarterly at the CSB with meetings starting at 4:00 PM. The agenda includes a presentation on a specific PHS program area, director updates, commissioner updates, and group discussion. Members receive \$75 and mileage reimbursement for attendance. People can contact Carrie Umpierre or me if they are interested and we will send them an application. The HSAC is a MN Statutory requirement for Human Services Agencies in MN.

**Supporting Attachments**

- 

Amount of Contract: \_\_\_\_\_

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO: \_\_\_\_\_

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

Carlton County Board of Commissioners  
Item for Consideration (IFC)/ Agenda Item Cover Sheet

A-4  
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 1/26/26  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From/Presenter: Annie Napoli, PHHS

Title of Item for Consideration: Brightwater Contract Budget Addendum

**Type of Action Requested** (check ONE)

- Info only, no action requested at this time  
 Award contract or bid  
 Approve by board action (motion and second only-i.e. refill position)  
 Approve by board resolution (formal language "WHEREAS & NOW, THEREFORE, BE IT RESOLVED")

**Fiscal Impact** (check all that apply)

- Yes  No  NA Item included under current budget  
 Yes  No  NA Budget adjustment required  
 Yes  No  NA Reviewed by Finance Committee

**Staffing Impact** (check all that apply)

- Yes  No  NA Duties of a County employee(s) may be materially affected  
 Yes  No  NA Applicable job description(s) may require revision  
 Yes  No  NA Item may change the department's authorized staffing level  
 Yes  No  NA Reviewed by Human Resources

**Other**

- Yes  No  NA Reviewed by other Committee, Board or Commission

If yes, committee name & recommendation:

It was reviewed/approved by county board on December 22, 2026. Also, approved when Director Annie Napoli presented and received approval for two Assistant Director Positions in 2025.

**Summary**

Renewal and approval of Brightwater (HDC) ACT agreement was presented at the 12-22-2025 board meeting. The attached budget is a change from the original that went to board due to increase in staffing to cover new Assistant Director's previous duties as ACT Supervisor.

**Supporting Attachments**

- ACT Budget adjustment addendum

Amount of Contract: \_\_\_\_\_

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO: \_\_\_\_\_

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

<b>Program Name</b>	Brightwater Health
---------------------	--------------------

**2026 ACT - Projected Expenditures**  
(Do Not Include SAG-Related Expenses in the Tables Below)

<b>Program Staff</b>		
Program Staff Title (Specify – whenever possible use MA categories provided below.)	*FTE	Proposed Expenditures
Registered Nurse	1.92	\$149,574
Advance Practice Nurse	0.40	\$51,790
LPN	0.00	\$0
Total Program FTEs and Wages →	2.32	\$201,364
Benefits and Payroll Taxes for Program Staff →		\$70,880
% of Benefits and Payroll Taxes Compared to Salaries →		35.20%
<b>Direct Program Service Costs</b>		
Staff Orientation/Training		\$2,000
Mileage/Vehicle Expense - for staff travel and client transportation		\$14,500
<b>Total Program FTEs and Direct Service Cost →</b>	<b>2.32</b>	<b>\$288,745</b>

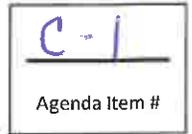
<b>Administrative/Support Staff</b>		
Admin/Support Staff Title (specify)	FTE	
Support staff		
Total Admin FTEs and Admin Wages →	0.00	\$0
Benefits and Payroll Taxes for Admin Staff →		
% of Benefits and Payroll Taxes Compared to Salaries →		0
<b>Total Admin Staff Cost →</b>		<b>\$0</b>

<b>Administrative and Overhead Expenditures</b>	
Training Costs - Relias (\$115/person annually) - 6 Carlton Staff	\$690
Less ACT Services Building lease expense \$1,200/month	(14,400.00)
Central Admin Allocation (limit 41%)	\$111,620
Return to agency (limited to 5%)	\$0

<b>Total Program Staff Cost</b>	<b>\$288,745</b>
<b>Total Admin and Overhead Cost</b>	<b>\$97,910</b>
<b>% of Admin as Compared to Overall Budget</b>	<b>25.32%</b>
<b>Total Expenditures →</b>	<b>\$386,656</b>

Check on RTA (may not exceed of 5% of Total Expenditures less RTA)	\$19,333
Over/Under RTA	-\$19,333

Carlton County Board of Commissioners  
Item for Consideration / Agenda Item Cover Sheet



To: Chairperson, Carlton County Board of Commissioners Meeting Date: January 26, 2026  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From: Chris Berg, Zoning and Environmental Services Administrator  
Title of Item for Consideration: Letter of Support for St. Louis County's Canyon Solid Waste Campus  
Presenter: Chris Berg, Zoning and Environmental Services Administrator

**Type of Action Requested** (check all that apply)

- Info only, no action requested at this time
- Award contract or bid
- Approve by resolution
- Approve Signing Letter of Support

**Fiscal Impact** (check all that apply)

- Yes  No  NA Item included under current budget
- Yes  No  NA Budget adjustment required
- Yes  No  NA Reviewed by Finance Committee

**Staffing Impact**

- Yes  No  NA Duties of a County employee(s) may be materially affected
- Yes  No  NA Applicable job description(s) may require revision
- Yes  No  NA Item may change the department's authorized staffing level
- Yes  No  NA Reviewed by Human Resources

**Other**

- Yes  No  NA Reviewed by other Committee, Board or Commission
- If yes, what was their recommendation \_\_\_\_\_

**Summary**

St. Louis County has requested Carlton County's support via the attached letter for St. Louis County's top legislative priority for the 2026 session — Senate File 330 / House File 573, a bipartisan bonding request to design, engineer, and construct the Canyon Integrated Solid Waste Management Campus. The \$6 million appropriation requested in this legislation would allow St. Louis County to acquire property and advance development of a modern, integrated facility. The site is 27 miles from the Carlton County Transfer Station while the Virginia Landfill is 63 miles (one-way).

**Supporting Attachments**

- Letter of Support
- \_\_\_\_\_

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO: \_\_\_\_\_

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

[Organization Letterhead]

Date:

To: Members of the Minnesota House and Senate Capital Investment Committees  
Minnesota State Capitol, St. Paul, Minnesota

RE: Support for St. Louis County's #1 Legislative Priority – Canyon Integrated Solid Waste  
Management Campus (SF 330 / HF 573)

Dear Chair and Members of the Committee:

On behalf of [City/Township/Organization Name], we are writing in strong support of St. Louis County's top legislative priority for the 2026 session — Senate File 330 / House File 573, a bipartisan bonding request to design, engineer, and construct the Canyon Integrated Solid Waste Management Campus.

This project represents a forward-looking, environmentally responsible, and regionally significant investment in Minnesota's solid waste infrastructure. The \$6 million appropriation requested in this legislation would allow St. Louis County to acquire property and advance development of a modern, integrated facility that will:

- Accept both new waste and previously processed waste from closed or capped landfill sites under the state's Closed Landfill Program;
- Prevent PFAS and other contaminants from entering the Lake Superior watershed;
- Accept municipal biosolids to prevent contamination from recurring land application;
- Ensure long-term solid waste management capacity for northeastern Minnesota communities; and
- Protect public health and the environment while supporting regional collaboration in waste management.

This project also builds on the recent partnership between St. Louis County and the Western Lake Superior Sanitary District (WLSSD)—publicly known as *Resource Renew*—which has negotiated a long-term agreement to dispose of municipal solid waste at the county's Virginia Regional Landfill and, in the future, at the new Canyon facility. With the Moccasin Mike landfill in Superior set to close in 2026, this partnership will ensure responsible, in-state waste management for Duluth-Superior and all of the Arrowhead region.

The Canyon site is being designed to complement and extend the life of the existing Virginia Regional Landfill, which—through strategic upgrades and expansion—now has an anticipated life exceeding 70 years. Together, these facilities will serve as a critical backbone for the region's solid waste and environmental protection strategy for generations.

We respectfully urge the Legislature and Governor to include funding for the Canyon Integrated Solid Waste Management Campus in the 2026 capital investment bill. This investment will safeguard Minnesota's natural resources, strengthen local partnerships, and advance the state's leadership in responsible waste management.

Thank you for your thoughtful consideration and continued commitment to the environmental and infrastructure needs of Greater Minnesota.

Sincerely,

[Name]

[Title]

[City/Township/Organization Name]

[Contact Information]

Carlton County Board of Commissioners  
Item for Consideration / Agenda Item Cover Sheet

C-2  
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: January 26, 2026  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From: Chris Berg, Zoning and Environmental Services Administrator  
Title of Item for Consideration: SSTS Low-income Grant  
Presenter: Chris Berg, Zoning and Environmental Services Administrator

**Type of Action Requested** (check all that apply)

- Info only, no action requested at this time
- Award contract or bid
- Approve by resolution
- Approve Payment of Installation Fees

**Fiscal Impact** (check all that apply)

- Yes  No  NA Item included under current budget
- Yes  No  NA Budget adjustment required
- Yes  No  NA Reviewed by Finance Committee

**Staffing Impact**

- Yes  No  NA Duties of a County employee(s) may be materially affected
- Yes  No  NA Applicable job description(s) may require revision
- Yes  No  NA Item may change the department's authorized staffing level
- Yes  No  NA Reviewed by Human Resources

**Other**

- Yes  No  NA Reviewed by other Committee, Board or Commission
- If yes, what was their recommendation \_\_\_\_\_

**Summary**

The Kettle River/Upper St. Croix One Watershed-One Plan grant program allocated \$50,000 to Carlton County for low-income household septic system upgrades. The attached invoice reflects an upgrade for a low-income household in the watershed that had a failing septic system. It requires payment of \$16,025 from the County to the contractor prior to the County receiving full reimbursement from Pine County, the 1W1P fiscal agent for the KUSC grants.

**Supporting Attachments**

- Statement of Work
- Invoice

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO: \_\_\_\_\_

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

## STATEMENT OF WORK FY25CarltonCo.SSTS

---

### TO THE MASTER PROJECT AGREEMENT BETWEEN PINE COUNTY AND CARLTON COUNTY.

This Statement of Work is issued and agreed to pursuant to the Master Project Agreement entered into between Pine County and Carlton County ("Partner") and is subject to the terms and conditions of the Master Project Agreement. All grant activities associated with Project specified and detailed herein shall be performed in accordance with the Master Project Agreement, KUSCP Policy, the funding source's grant agreement, BWSR Grant Administration Manual (if BWSR is the funding source), and applicable federal, state, and local laws, rules, regulations, and ordinances.

#### I. SCOPE OF PROJECT

Partner will carry-out certain activities to accomplish the Project as follows:

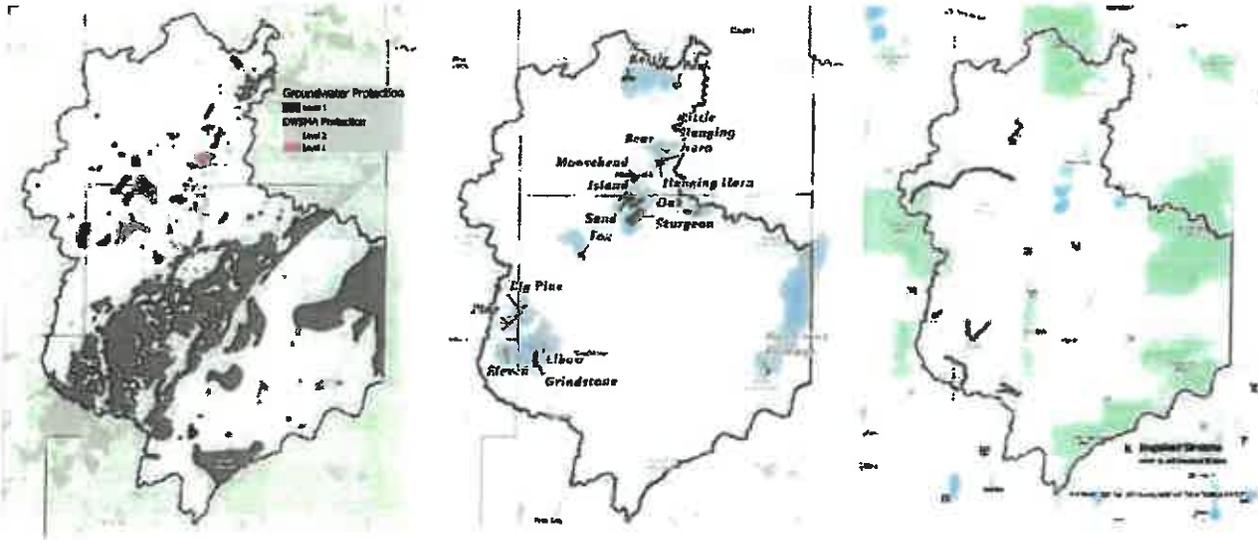
- A. **Project Name and ID (s):** FY25CarltonCo.SSTS
- B. **Funding Source:** Kettle & Upper St. Croix WBIF
- C. **Comprehensive Watershed Management Plan (CWMP) and grant funding source work plan:** Kettle & Upper St. Croix CWMP FY25; eLINK Grant ID: C25-0185
- D. **Project Timeline:** Project must be completed between 05/28/2025 (date of approval) and 12/31/2027. Expenses incurred outside of these dates are not eligible for reimbursement. If necessary, attach an exhibit showing the timeline.
- E. **Grant Work Plan Activity:** Activities must be completed in a manner consistent with the Grant Work Plan, attached hereto as an exhibit.

#### 1. Activity Deliverables:

- **WBIF grant activity type:** Sewage Treatment Systems
- **Referenced CWMP implementation table and activity number:** Page 9-6, Table 9.1 Action 3. Page 4-11, Table 4.3 Action 9. Page 3-14, Table 3.4 Actions 1 & 2.
- **Conservation practice:** SSTS Upgrade (no practice standard)
- **Priority benefitting waterbody:** Groundwater Priority Areas, Level 1 Priority Lakes, Bacteria Impaired Streams.
- **Project deliverables and description:** Up to 4 septic systems in Groundwater Priority Areas, Level 1 Priority Lake sheds and/or Bacteria Impaired Streams will be replaced according to WBIF Policy.
- **Timeline:** Projects will be completed between 5/28/2025-12/31/2027
- **Project ID:** FY25CarltonCo.SSTS
- **Pollutant reductions:** TBD, will be reported on a case-by-case basis
- **Project effective life for which the Partner will be responsible for operations & maintenance of the Project:** 20 years

X Please check if "I agree that this project meets WBIF eligibility requirements."

- Activity location map, if applicable:



2. **Staff Involvement and Roles:** Environmental Services Coordinator will oversee County staff to provide technical assistance to the landowner(s) by assessing the qualifications for the program, coordination between property owner(s) and certified designers and installers, review and inspection of the replacement system and facilitating payment to SSTS professional(s).

II. ALLOCATION OF GRANT FUNDS

Partner will be reimbursed in an amount not to exceed \$50,000.00 of costs incurred in delivering the Project.

III. COMMITMENT OF GRANT MATCHING FUNDS

Partner will contribute at least \$0.00 non-state match to the Activity's grant funding source.

IV. EXECUTION OF GRANT AGREEMENT

No work may begin until the grant agreement is fully executed.

V. SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Statement of Work the day and year signed below.

**PINE COUNTY**

By: *Kelly Schroeder*

By: Kelly Schroeder  
County Auditor-Treasurer

Dated: 06/11/2025

**Carlton County**

By: *Marvin Boof*

By: MARVIN BOOF

Dated: 6/10/25

The [WBIF policy](#) for SSTS is the following:

- a. Local governments should first exhaust SSTS grant funding from the Minnesota Pollution Control Agency.
- b. Eligible activities are limited to identified imminent threat to public health systems (ITPHS) and systems that fail to protect groundwater. Land occupiers must meet low-income thresholds. Low-income guidelines from U.S Rural Development are strongly encouraged as the basis for the definition of low income.
- c. Proposed community wastewater treatment solutions involving multiple landowners are eligible for funding but must be listed on the MPCA's Project Priority List (PPL) and have a Community Assessment Report (CAR) [www.bwsr.state.mn.us](http://www.bwsr.state.mn.us) 6 or facilities plan (Minn. Rule 7077.0272) developed prior to work plan submittal. For community wastewater system applications that include ITPHS, systems that fail to protect groundwater are also eligible.
- d. In an unsewered area that is connecting into a sewer line to a municipal wastewater treatment plant (WWTP), the costs associated with connecting the home to the sewer line is eligible for funding if the criteria in b. and c. above are met.

**Advanced Excavating & Onsite Systems LLC.**  
 7481 W.Cord Rd  
 Cloquet, MN 55720

# Estimate

Date	Estimate #
4/17/2025	636

Name / Address

			Project
Description	Qty	Rate	Total
Design and install a two 2000 Gallon holding tank replacement system for residence. Remove old tanks and associated piping and alarm. Install 2 2000 gallon holding tanks with factory applied spray foam insulation, manhole risers to surface and exterior alarm mounted on a post near tanks. All machine time, labor and materials to complete.		0.00	0.00
Septic Design Fee with permit fee		550.00	550.00
Demo and disposal of old tanks, piping and alarm. includes pump out prior to start of removal	1	2,500.00	2,500.00
2000 gallon Red Rock Septic tank sprayfoam insulated.	2	4,550.00	9,100.00
Pit Sand (tank bedding)	1	225.00	225.00
1' Risers, pipe and fittings	1	1,500.00	1,500.00
Alarm assembly and post.	1	300.00	300.00
Installation of new tanks, piping, alarm, cleanup and final grading	1	1,850.00	1,850.00
<b>Total</b>			<b>\$16,025.00</b>

Carlton County Board of Commissioners  
Item for Consideration / Agenda Item Cover Sheet

C-3  
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: January 26, 2026  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From: Chris Berg, Zoning and Environmental Services Administrator  
Title of Item for Consideration: Extend contract for Food Waste Collection and Transportation  
Presenter: Chris Berg, Zoning and Environmental Services Administrator

**Type of Action Requested** (check all that apply)

- Info only, no action requested at this time  
 Award contract or bid  
 Approve by resolution

**Fiscal Impact** (check all that apply)

- Yes  No  NA Item included under current budget  
 Yes  No  NA Budget adjustment required  
 Yes  No  NA Reviewed by Finance Committee

**Staffing Impact**

- Yes  No  NA Duties of a County employee(s) may be materially affected  
 Yes  No  NA Applicable job description(s) may require revision  
 Yes  No  NA Item may change the department's authorized staffing level  
 Yes  No  NA Reviewed by Human Resources

**Other**

- Yes  No  NA Reviewed by other Committee, Board or Commission  
If yes, what was their recommendation \_\_\_\_\_

**Summary**

The agreement Carlton County has with Cloquet Riverside Recycling to collect and transport food waste to WLSSD is set to expire February 28, 2026. The current agreement allows for an extension for one year (up to three times) at the same rate. This is the first extension of the contract.

**Supporting Attachments**

- Contract with Cloquet Riverside Recycling  
 \_\_\_\_\_

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO: \_\_\_\_\_

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

**CARLTON COUNTY ZONING AND ENVIRONMENTAL SERVICES**

**SERVICE AGREEMENT  
FOOD WASTE COLLECTION AND TRANSPORTATION**

This Agreement is made this 26th day of January 2026, by and between the COUNTY OF CARLTON hereinafter referred to as COUNTY and Cloquet Riverside Recycling hereinafter referred to as CONTRACTOR.

WITNESSETH:

WHEREAS, the Carlton County Board of Commissioners requires the services of a contractor for food waste collection at the Carlton County Transfer Station and transportation to the Western Lake Superior Sanitary District (WLSSD) Organic Composting site.

WHEREAS, CONTRACTOR has agreed all such services can be provided;

THEREFORE, COUNTY AND CONTRACTOR agree as follows:

**SECTION I. CONTRACTOR SERVICES**

This Agreement is to provide the collection and scheduled transportation of food waste material at the Carlton County Transfer Station, Carlton County Courthouse, Carlton County Community Services Center, and Thomson Township Recycling Center. The food waste is to be delivered to the WLSSD Organic Composting site between the hours of 6:30 AM to 11:30 AM Monday through Friday.

Table 1.0

<b>Location &amp; Address</b>	<b>Container Size</b>	<b>Current Frequency</b>
Carlton County Transfer Station 1950 Highway 210, Carlton, MN 55718	2 yard	Weekly/ Every other week
Carlton County Courthouse 301 Walnut Ave, Carlton, MN 55718 (Container located at the NW Corner of the parking lot along Hwy 45)	2 yard	Weekly/ Every other week
Carlton County Community Services Center 14 11 <sup>th</sup> Street N, Cloquet, MN 55720 (Container located at the SE Corner of the parking lot near the intersection of Avenue C and N 13 <sup>th</sup> St)	2 yard	Weekly/ Every other week
Thomson Township Recycling Center 25 E Harney Rd, Esko, MN 55733	2 yard	Weekly/ Every other week

Frequency of collection and transportation may decrease in the winter months. The frequency of the pickup (either weekly or every other week) is at the discretion of the Zoning and Environmental Services Administrator. The Contractor will be given a two week notice of frequency of pickup (either weekly or every other week).

## **SECTION II. PERIOD OF SERVICE**

The period of service shall be from March 1, 2026 to February 28, 2027, unless terminated earlier. It is the intent of Carlton County to enter into a one (1) year Agreement with the selected Contractor for these services with the option reserved to the County for renewing it for additional one-year periods (up to three additional periods) at the same rates. Renewal of the agreement is conditioned on the consent of the Contractor. The County may terminate this agreement with 30 days notice with or without cause.

## **SECTION III. SCOPE OF WORK**

### **A. Locations of the Work:**

Work is to collect food waste at the designated sites in Table 1.0. Work includes transportation to the Western Lake Superior Sanitary District (WLSSD) Organic Composting site.

### **B. General Requirements of the Work:**

1. It is specifically understood all Work performed by Contractor shall require approval by the Carlton County Zoning and Environmental Services Administrator of 301 Walnut Avenue, Room 103, Carlton, Minnesota 55718, prior to implementation.
2. Collection vehicles must be in good working condition and must be plainly marked with Contractor's name.
3. Contractor shall perform the Work as directed by County and as described below.
4. Work must be performed in accordance with all federal, state, county, and local rules and regulations and all amendments thereto.
5. Contractor shall provide containers and frequency of transportation as detailed in Table 1.0.
6. Contractor shall charge Carlton County prices referenced in Table 2.0 for these aforementioned services.
7. Periodic cleaning of the collection containers may be requested by Carlton County at no additional cost.

8. Contractor shall perform the Work during the hours the facilities are open.

Table 2.0

Location & Address	Container Size	Current Frequency	Pricing per Month
Carlton County Transfer Station 1950 Highway 210, Carlton, MN 55718	2 yard	Weekly/ Every other week	<u>\$125.25 Weekly</u> <u>\$92.50 E.O.W.</u>
Carlton County Courthouse 301 Walnut Ave, Carlton, MN 55718 (Container located at the NW Corner of the parking lot along Hwy 45)			<u>\$125.25 Weekly</u> <u>\$92.50 E.O.W.</u>
Carlton County Community Services Center 14 11 <sup>th</sup> Street N, Cloquet, MN 55720 (Container located at the SE Corner of the parking lot near the intersection of Avenue C and N 13 <sup>th</sup> St)			<u>\$125.25 Weekly</u> <u>\$92.50 E.O.W.</u>
Thomson Township Recycling Center 25 E Harney Rd, Esko, MN 55733			<u>\$140.00 Weekly</u> <u>\$105.00 E.O.W.</u>

**SECTION IV. SUSPENSIONS OF WORK**

County may order Contractor to suspend all or part of the work for such period of time as may be determined by County to be necessary or desirable in the best interest of County.

**SECTION V. INSURANCE**

The Contractor shall furnish insurance covering public liability in the amount of at least \$300,000.00 for injury or death of any one person in any one occurrence and aggregate bodily liability in the amount of at least \$1,000,000.00 for injuries or death arising out of any one occurrence. Property damage liability shall be furnished in an amount of at least \$300,000.00 for any one occurrence and in the unencumbered aggregate amount of at least \$1,000,000.00.

**SECTION VI. HOLD HARMLESS**

The Contractor does hereby agree that he will indemnify and hold harmless and defend Carlton County, its Commissioners, officers, agents, employees, and voluntary workers against any and all claims, losses, expenses, damages, or law suits for damages which such parties or individuals may hereinafter sustain, incur or be required to pay by reason of any intentional or negligent act

or omission of the said Contractor in the performance of the services purchased by Carlton County as expressed herein.

## **SECTION VII. GENERAL CONDITIONS**

### **A. Independent Contractor:**

The relationship of Contractor to County is that of an independent contractor. Nothing in this agreement shall be construed as creating the relationship of copartners, joint venturers, or an association with County and Contractor, nor shall Contractor, its employees, agents, representatives and subcontractors be considered employees, agents, or representatives of County for any purpose whatsoever.

### **B. Subcontractors:**

Contractor shall not enter into subcontracts for any of the services to be performed hereunder without the prior written consent of County.

### **C. Safety and OSHA Requirements:**

Contractor and subcontractors agree to hold County harmless against any citation, penalty, claim, or alleged violation arising under the Minnesota Occupational Safety and Health Act of 1973. Contractor assumes full responsibility to provide its employees and inspector(s) of County with a safe and healthful work place within the boundaries of the project area(s) through the use of proper protective procedures.

### **D. Waiver:**

Any waiver by either party of any provision of the Agreement shall not imply a subsequent waiver of that or any other provision.

### **E. Non-Disclosure:**

Contractor shall not divulge to third parties, without the written consent of County, any information obtained from or through County in connection with the performance of this agreement. Contractor will not, without prior written consent of County, disclose to any third party any information developed or obtained by Contractor in the performance of the Agreement.

### **F. Compliances:**

Contractor will comply with all applicable state and federal requirements for nondiscrimination and equal opportunity employment.

G. Accounting Procedures:

The books, records, documents, and accounting procedures and practices of Contractor relevant to the Agreement are subject to examination by County and either the legislative auditor or the state auditor as appropriate pursuant to Minnesota Statutes §16B.06, subd. 4 (1990).

H. Notices:

All notices, demands, and communications arising under the Agreement shall be directed to County through Chris Berg, Carlton County Zoning and Environmental Services Administrator, P.O. Box 220, Carlton, Minnesota 55718-0220, 218-384-9174.

**SECTION VIII. INVOICING**

The Contractor shall submit monthly invoices to Carlton County for services actually rendered. Any unscheduled stops made by the Contractor and approved by Carlton County must also be indicated.

Payments will be made by Carlton County to the Contractor within 30 days of receipt of invoice.

**SECTION IX. REPORTING**

Contractor must provide monthly reporting with invoices disclosing monthly quantities (in pounds or cubic yards) that have been collected.

**SECTION X. AMENDMENT**

Any amendment to the Agreement shall be in writing and shall be executed by the same parties who executed the original Agreement or their successors in office.

**SECTION XI. ENTIRE AGREEMENT**

The Agreement constitutes the entire Agreement between Contractor and County and supersedes all prior written or oral agreements for this project. Any term, condition, prior course of dealing, course of performance, usage of trade, understanding, purchase order, or agreement purporting to modify, vary, supplement, or explain any provision of the Agreement is null and void and of no effect unless in writing and signed by representatives of both parties authorized to amend the Agreement.

IN WITNESS THEREOF, the parties have executed this Agreement the date and year first above written.

**CONTRACTOR:**

**CARLTON COUNTY**

BY: \_\_\_\_\_

BY: \_\_\_\_\_  
Thomas Proulx, Chairperson  
County Board of Commissioners

BY: \_\_\_\_\_  
Chris Berg  
Zoning and Environmental Services  
Administrator

BY: \_\_\_\_\_  
Kevin DeVriendt  
County Auditor

Carlton County Board of Commissioners  
Item for Consideration (IFC)/ Agenda Item Cover Sheet

D-1  
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 1/26/2026  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From/Presenter: Land

Title of Item for Consideration: Accept Wagner Easement

**Type of Action Requested** (check ONE)

- Info only, no action requested at this time  
 Award contract or bid  
 Approve by board action (motion and second only-i.e. refill position)  
 Approve by board resolution (formal language "WHEREAS & NOW, THEREFORE , BE IT RESOLVED")

**Fiscal Impact** (check all that apply)

- Yes  No  NA Item included under current budget  
 Yes  No  NA Budget adjustment required  
 Yes  No  NA Reviewed by Finance Committee

**Staffing Impact** (check all that apply)

- Yes  No  NA Duties of a County employee(s) may be materially affected  
 Yes  No  NA Applicable job description(s) may require revision  
 Yes  No  NA Item may change the department's authorized staffing level  
 Yes  No  NA Reviewed by Human Resources

**Other**

Yes  No  NA Reviewed by other Committee, Board or Commission

If yes, committee name & recommendation:

Work approved via the 7/8/2025 Board of Commissioners Meeting

**Summary**

Final approval needed for Wagner access easement across a PID #96-010-5640. Document reviewed by County Attorney and County Recorder's office.

**Supporting Attachments**

- Easement with exhibit  
 Map of easement location  
X Wagner Invoice

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO: \_\_\_\_\_

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

## GRANT OF EASEMENT

*KNOW ALL MEN BY THESE PRESENTS*, That the State of Minnesota in trust for the taxing districts, represented by Carlton County Auditor -Treasurer ("Grantor"), in consideration of the sum of Five Hundred Dollars and 00/100 (\$500.00) and other good and valuable consideration, receipt of which is hereby acknowledged, hereby grants and conveys to Scott J. Wagner and Christina L. Wagner, Trustees, or their successors in interest, of the Wagner Living Trust, dated December 7, 2015 (collectively "Grantees"), a permanent non-exclusive easement for ingress and egress purposes, for use by Grantees and Grantees employees, agents, contractors and assigns, and including the right to maintain and repair roadways and facilities as necessary, over, across and under the following described property in Carlton County, Minnesota, described as follows:

See attached Exhibit A; said easement is depicted on the drawing attached hereto as Exhibit B.

Said easement shall be appurtenant to and benefit the property owned by Grantees described as follows:

See attached Exhibit C.

By acceptance hereof, Grantees: (a) acknowledge and agree that Grantor has conducted and will continue to conduct upon its property natural resource management activities and other uses, including but not limited to harvesting of timber, hunting and recreation leases, herbicide use, etc.; (b) acknowledges and agrees that Grantor has reserved for itself the right to make use of the easement for any and all purposes as it from time to time sees fit, so long as such uses do not unreasonably interfere with the rights granted herein, and shall have the unrestricted right to use and cross any roadway located within the easement, but shall have no obligation to repair or maintain any roadway located within the easement; and (c) covenant and agree that Grantor shall not be liable to Grantees for any injury to or death of person, damage to property, or failure to comply with any law, statute, ordinance or rule, arising out of, caused by or attributable to, in whole or in part, any act, omission or neglect of Grantees in connection with or related to the use, construction, operation or maintenance of the easement in any manner by Grantees, or other parties using the easement with the permission or acquiescence of Grantees, and Grantees agrees to indemnify and hold Grantor harmless from all liability and claims for any such damage.

In the event any survey of the road and easement reveals the location thereof to be different on the ground than the location as described, the location on the ground shall control and this



## **EXHIBIT A**

A 33.00 foot wide easement for ingress and egress purposes over, under and across that part of the East 33.00 feet of the East Half of the Southeast Quarter of the Southeast Quarter of the Southeast Quarter, Section 35, Township 49, Range 20, Carlton County, Minnesota, lying northerly of the centerline of State Trunk Highway No. 210.

**EXHIBIT B**

**(Attached)**

**EXHIBIT C**

Wagner Property

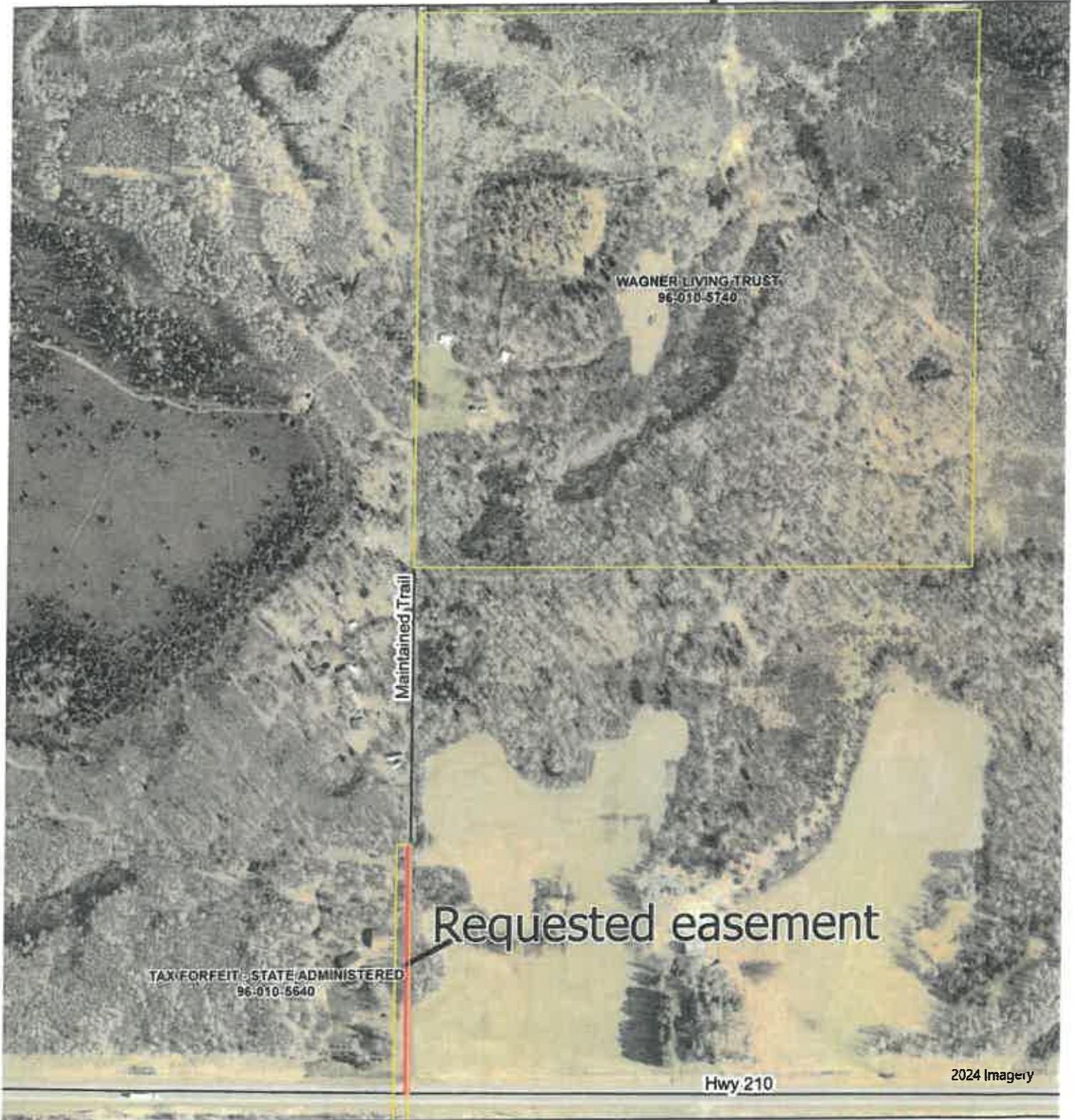
Northwest Quarter of the Southwest Quarter (NW ¼ of SW ¼) of Section Thirty-Six (36), Township Forty-nine (49) North, Range Twenty (20) West, Carlton County.



**New Legal Description of Easement**

An easement for utility, ingress and egress purposes over, under and across that part of the East 33.00 feet of the East Half of the Southeast Quarter of the Southeast Quarter of the Southeast Quarter, Section 35, Township 49, Range 20, Carlton County, Minnesota, lying northerly of the centerline of State Trunk Highway No. 210.

# Easement Request





**Land Department**

1630 County Road 61, Carlton, Minnesota 55718

---

**Mark Westphal, Land Commissioner**

Phone 218.384.4288

**Rachael Olesiak, Forester**

Phone 218.384.4287

January 6, 2026

Scott Wagner  
4202 Eaton Ave. S.E.  
Delano, MN 55328

Dear Scott:

Please find the enclosed signed easements across parcel ID #96-010-5640 located at the East 33.00 feet of the East Half of the Southeast Quarter of the Southeast Quarter of the Southeast Quarter of Section 35, Township 49, Range 20. The total amount owed Carlton County prior to recording of this document is: **\$500.00**.

Please make a check payable to the **Carlton County Treasurer** for **\$500.00** and mail to:

Carlton County Land Department  
1630 County Road 61  
Carlton, MN 55718

If you have any questions, please feel free to contact me at 218-384-4288.

Sincerely,

*Mark P. Westphal*

Mark P. Westphal  
Land Commissioner

Carlton County Board of Commissioners  
Item for Consideration (IFC)/ Agenda Item Cover Sheet

E-1  
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 1/26/2026  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From/Presenter: JinYeene Neumann - County Engineer

Title of Item for Consideration: Airport Property Lease

**Type of Action Requested** (check ONE)

- Info only, no action requested at this time  
 Award contract or bid  
 Approve by board action (motion and second only-i.e. refill position)  
 Approve by board resolution (formal language "WHEREAS & NOW, THEREFORE , BE IT RESOLVED)

**Fiscal Impact** (check all that apply)

- Yes  No  NA Item included under current budget  
 Yes  No  NA Budget adjustment required  
 Yes  No  NA Reviewed by Finance Committee

**Staffing Impact** (check all that apply)

- Yes  No  NA Duties of a County employee(s) may be materially affected  
 Yes  No  NA Applicable job description(s) may require revision  
 Yes  No  NA Item may change the department's authorized staffing level  
 Yes  No  NA Reviewed by Human Resources

**Other**

- Yes  No  NA Reviewed by other Committee, Board or Commission  
If yes, committee name & recommendation:  
Lease reviewed by County Attorney

**Summary**

Consider entering into an agreement with US Solar Development LLC for up to 40 acres at the Moose Lake Airport for a solar farm development.

**Supporting Attachments**

- Airport Property Lease  
 Resolution

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO: \_\_\_\_\_

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

### Summary of Key Terms

*(The following summary is provided for informational purposes only and is not part of the lease. In the event the terms of this summary conflict with the terms of the lease, the terms of the lease will govern.)*

Length of Terms	
Option Period	Maximum of 3 years
Construction Period	Maximum of 2 Years
Operation Period	Initial Term of 25 years. May be extended in 5-year increments (maximum of 3 extensions) at Lessee's option
Acres Being Leased	
Initial	Up to 40 acres
Amended	While we estimate that we will lease nearly 40 acres, the precise number of acres will be adjusted to reflect the actual size of the project as constructed. Rent will be based on the adjusted acreage.
Option Period	\$2,000.00 paid annually for so long as the option is alive, with the first payment made within 30 business days after the Effective Date.
Construction Period	Annually - \$400.00 per acre within the Lease Premises. Rent during the Construction Period is calculated based on the number of acres within the Lease Premises, Access Easement, Utility Easement and Laydown Area. The remainder of the Lessor Property will not be included in the Rent calculation. Paid quarterly in advance.
Operation Period	Annually – \$900.00 per acre. Rent during the Operation Period is calculated based on the number of acres within the Lease Premises, Access Easement, and Utility Easement. The remainder of the Lessor Property will not be included in the Rent calculation. Paid quarterly in advance.  Commercial Operation Rent shall increase by 2% per year, starting on the first anniversary of the Commercial Operation Date.

## **Exhibits**

- Exhibit A – Description of Lessor Property, Lease Premises, Access Easement, Distribution Easement, Utility Easement and Laydown Area
- Exhibit B – Solar Premises
- Exhibit C – Interconnection Point
- Exhibit D – Rent
- Exhibit E – Defined Terms
- Exhibit F – Liens or Encumbrances
- Exhibit G – Form of Memorandum
- Exhibit H – Additional Documents to be Executed

## OPTION TO LEASE, LEASE AND SOLAR EASEMENT

This Option to Lease, Lease and Solar Easement (this “**Agreement**”) by and between Carlton County, a Minnesota Municipal Corporation, and their successors and assigns (“**Lessor**”), and US Solar Development LLC, a Delaware limited liability company, and its successors and assigns (“**Lessee**”) is entered into and effective on \_\_\_\_\_, 2026 (the “**Effective Date**”). Capitalized terms used but not defined herein shall have the meanings given to such terms in Exhibit E.

### RECITALS

1. Lessor is the owner of real property located in Pine County, Minnesota that is legally described in Exhibit A under the heading “Lessor Property” (the “**Lessor Property**”).

2. Lessee is engaged in the business of developing, constructing, owning and operating solar energy conversion facilities for the production of electricity.

3. Lessee desires an option to lease, and upon the exercise of such option in accordance with the terms hereof, shall lease and obtain certain easements and rights over the Lessor Property, all on the terms and conditions set forth herein.

4. Lessor desires to grant such option to lease, and upon Lessee’s exercise of such option, shall lease and grant such easements and rights over the Lessor Property, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above premises and the mutual promises and other consideration set forth below, the adequacy and receipt of which is acknowledged, Lessor and Lessee agree as follows:

### **ARTICLE I OPTION TO LEASE**

#### **Section 1.1. Grant and Exercise of Option.**

(a) Lessor hereby grants to Lessee an exclusive option (the “**Option**”) to lease *all or any portion* of the Lessor Property that is legally described and depicted in Exhibit A under the heading “Lease Premises” (the “**Option Premises**”). In the event Lessee elects to lease less than all of the Option Premises, Lessor agrees to enter into an amendment to this Agreement pursuant to Section 2.4 in order to describe that portion of the Option Premises that Lessee has elected to lease (the “**Lease Premises**”).

(b) Lessee may exercise the Option in its sole discretion by delivering written notice to Lessor (the “**Option Exercise Notice**”) at any time prior to the last day of the Option Period (as defined below). The Option Exercise Notice will include:

(i) that portion of the Option Premises that Lessee has elected to lease;  
and

(ii) the date on which the Lease Term (as defined in Article II below) will commence (the “**Lease Commencement Date**”).

If the Option Exercise Notice fails to state the Lease Commencement Date, the Lease Commencement Date shall be the date on which the Option Exercise Notice was delivered to Lessor.

(c) For purposes of this Agreement, “**Option Period**” means the period beginning on the Effective Date and ending on the earliest to occur of:

- (i) the 3rd anniversary of the Effective Date;
- (ii) the termination of this Agreement under Section 5.1; and
- (iii) the Lease Commencement Date.

(d) As consideration for the Option, Lessee shall pay to Lessor the applicable amounts set forth in Section 4.1. At Lessee’s option, Lessee may terminate the Option prior to the end of the Option Period by delivering written notice to Lessor.

**Section 1.2. Access to the Option Premises During Option Period.** During the Option Period, Lessee shall have the right to access any portion of the Option Premises for the purpose of (i) monitoring, testing and assessing the Option Premises for use as a solar photovoltaic energy generation site; (ii) conducting such tests, analysis or feasibility studies as Lessee deems advisable, including measurement of sunlight or solar energy potential and other meteorological data; (iii) conducting environmental and suitability assessments of the Option Premises, including soil borings, wetlands assessments and environmental impact and wildlife analyses; (iv) conducting development, siting and design activities and analysis of the Option Premises, including creating a conceptual design and layout for a potential solar photovoltaic energy generation facility; (v) commencing the permitting and application process related to such facility; and (vi) conducting such other tests, analysis or studies as may be required by permitting agencies or as Lessee deems advisable (collectively, the “**Due Diligence Activities**”). The costs for all Due Diligence Activities shall be the responsibility of Lessee. Lessee’s right to conduct Due Diligence Activities on the Option Premises during the Option Period shall be exclusive and Lessor acknowledges that Lessor may not grant any other person or entity any such rights.

## **ARTICLE II LEASE**

**Section 2.1. Lease.** If Lessee exercises the Option set forth in Section 1.1 during the Option Period, Lessor shall lease to Lessee, and Lessee shall lease from Lessor, the Lease Premises (the “**Lease**”). As consideration for the Lease, Lessee shall pay to Lessor the amounts set forth in Section 4.1. If Lessee exercises the Option set forth in Section 1.1, the Lease shall automatically become effective on the Lease Commencement Date without any further action by either party.

**Section 2.2. Lease Term.** The term of the Lease shall commence upon the Lease Commencement Date and continue until 11:59 pm on the 25th anniversary of the Commercial Operation Date (the “**Initial Term**”), unless terminated earlier or extended in accordance with the following sentence. Lessee shall have the option, exercisable in its sole discretion, to extend the Initial Term of the Lease for 3 additional 5 year periods (each, an “**Additional Term**” and together with the Initial Term, the “**Lease Term**”), each Additional Term commencing immediately on the day that the Initial Term or the then-current Additional Term, as applicable, would otherwise expire. Lessee may exercise its extension rights by delivering to Lessor written notice of such extensions prior to the scheduled expiration of the Initial Term or the then-current Additional Term, as applicable.

**Section 2.3. Use of Lease Premises.** During the Lease Term, the Lessee may use the Lease Premises for Solar Energy Purposes. For purposes of this Agreement, “**Solar Energy Purposes**” means converting solar energy into electrical energy, collecting, storing, and transmitting the electrical energy so converted, and all related activities, including, without limitation, conducting Due Diligence Activities, developing, constructing (including laydown areas and storage areas), installing, operating, maintaining, repairing, and replacing photovoltaic electric energy generating equipment, supporting structures and ballasts, inverters, electrical transformers, fixtures, electric distribution lines, communication lines, metering equipment, perimeter fencing, interconnection facilities and related facilities and equipment (collectively, the “**Facility**”) and commercial beekeeping on the Lease Premises. Lessee’s right to use the Lease Premises for Solar Energy Purposes during the Lease Term shall be exclusive and Lessor acknowledges that Lessor may not grant any other person or entity any such rights.

**Section 2.4. Location of Facility; Right to Relocate.**

(a) As of the Effective Date, Exhibit A includes a description of the entire Option Premises (under the heading “Lease Premises”) and an estimated location of the Access Easement (under the heading “Access Easement”), Distribution Easement (under the heading Distribution Easement) and Utility Easement (under the heading Utility Easement”). Upon completion of its Due Diligence Activities and final engineering and design work, the Lessee will determine the exact location within the Option Premises where the Facility will be constructed, as well as the final locations of the Access Easement, Distribution Easement and Utility Easement.

(b) At such time as Lessee determines the final location of the Facility and related easements pursuant to Section 2.4(a), Lessee will provide notice of the same to Lessor (the “**Facility Location Notice**”), which notice may be part of the Option Exercise Notice. The parties will then enter into an amendment to this Agreement and an amendment to any memorandum previously recorded pursuant to Section 8.3(c) 11.14 in order to:

(i) amend the legal description in Exhibit A under the heading “Lease Premises” to include only that portion of the Option Premises that Lessee has elected to lease; and

(ii) amend the legal descriptions in Exhibit A under the headings “Access Easement”, “Distribution Easement” and “Utility Easement” to reflect the final locations of such easements.

(c) For the sake of clarity, Lessor acknowledges and agrees that, as part of the amendment described in Section 2.4(b), (i) Lessee will attempt (but is not obligated) to size the Lease Premises to include the minimum number of acres necessary to encompass the perimeter fencing of the Facility, plus a 5 foot buffer on the outside of such perimeter fencing, and (ii) if the same cannot be included within the Lease Premises, will attempt (but is not obligated) to size the Access Easement, Distribution Easement and Utility Easement to include the minimum number of acres necessary to accommodate the improvements located within, and the intended use of, such easements, plus a sufficient buffer. **Lessor acknowledges and agrees that the total number of acres that will be leased by Lessee, following the amendment described in Section 2.4(b), will likely be less than the number of acres reflected in Exhibit A as of the Effective Date and that Lessee will only be required to pay Rent (as defined below) for the acreage reflected under the heading “Lease Premises”, “Access Easement”, and “Utility Easement” in such amendment.**

(d) Nothing contained in this Section 2.4 is intended to limit Lessee’s ability to (and Lessee hereby reserves the right to) relocate or reconfigure the Facility within the Lease Premises at any time during the term of this Agreement.

**Section 2.5. Non-Facility Improvements.** Any improvements, fixtures or structures that are not a part of the Facility shall not be installed without the express written consent of Lessor.

### **ARTICLE III EASEMENTS**

**Section 3.1. During Option Period.** Commencing on the Effective Date, Lessor hereby grants to Lessee, through the last day of the Option Period, an easement and license for ingress and egress to and from the Option Premises and such additional areas of the Lessor Property as shall be reasonably necessary to undertake the activities set forth in Section 1.2.

**Section 3.2. During Lease Term.** Commencing on the Lease Commencement Date, Lessor hereby grants to Lessee, through the last day of this Agreement, the easements and licenses described in Sections 3.3 through 3.8.

**Section 3.3. Solar Easement.** Lessor hereby grants to Lessee an exclusive easement to use, convert, maintain and capture all sunlight which naturally arrives at the Lease Premises, as well as an exclusive easement prohibiting any obstruction to the free flow of sunlight to the Lease Premises throughout the entire area of the Lessor Property described in Exhibit B (such area, the “**Solar Premises**”). The easements granted in this Section 3.3 shall be referred to as the “**Solar Easement**” and shall be located horizontally three hundred and sixty degrees (360°) from any point where any photovoltaic generating

facility is or may be located at any time from time to time (each such location referred to as a “**Solar Site**”) and for a distance from each Solar Site to the boundaries of the Solar Premises, together vertically through all space located above the surface of the Solar Premises, that is, one hundred eighty degrees (180°) or such greater number or numbers of degrees as may be necessary to extend from each point on and along a line drawn along the plane from each point along the exterior boundary of the Solar Premises through each Solar Site to each point and on and along such line to the opposite exterior boundary of the Solar Premises. With the exception of trees, structures or improvements that were on the Solar Premises on the Effective Date, Lessor may not place, plant or allow any trees, activities, structures or improvements on the Solar Premises or on any adjacent or nearby property owned or controlled by Lessor or any Lessor affiliate which may, in Lessee’s sole judgment, impede, diminish or interfere with the receipt of sunlight at any Solar Site, unless Lessor has received advance written approval from Lessee for installation of any such trees, activities, structure or improvement. In the event Lessor places, plants or allows trees, structures or improvements on the Solar Premises that violate the provisions of this Section 3.3, Lessee may notify Lessor and request removal of the applicable tree, structure or improvement, or modification thereof to comply with this Section 3.3. Lessor shall remove or modify such trees, structures or improvements within thirty (30) days of such notice. If Lessor fails to remove or modify the tree, structure or improvement as requested, Lessee shall be entitled to cause the removal or modification of the same as necessary to eliminate the interference with the Solar Site and to then deduct the cost of such work from any payment (including Rent) due from Lessee to Lessor under this Agreement.

**Section 3.4. Placement of Facilities.** Lessor hereby grants to Lessee an exclusive easement to place Facilities on the Lease Premises.

**Section 3.5. Easement for Solar Effects.** Lessor hereby grants to Lessee an easement and license for the Facility to create, cause, increase, accentuate, or otherwise contribute to the occurrence of light, shadows, shadow and light flickering, glare, reflection and other effects attributable to the Facility or operations located on the Lease Premises or on adjacent properties on and across the Lessor Property or on any adjacent or nearby property owned or controlled by Lessor or any Lessor affiliate, and Lessor waives and releases any claims or causes of action arising from or related to the occurrence of any such events.

**Section 3.6. Access Easement.** Lessee shall be entitled to ingress and egress to and from the Lease Premises, the Facility and appurtenant equipment and electrical power lines over the Lease Premises and Lessor Property and such additional areas of the Lessor Property as shall be reasonably necessary to access a public roadway or alley. In addition, Lessor grants Lessee an easement (“**Access Easement**”) through the Lessor Property for purposes of Lessee’s access to the Facility on the Lease Premises. As of the Effective Date, the approximate location of the Access Easement is depicted in Exhibit A under the heading “Access Easement”. The final location of the Access Easement will be determined pursuant to Section 2.4. Lessee may construct, use and/or maintain a road within the Access Easement at Lessee’s expense.

**Section 3.7. Distribution Easement.** Lessor grants to Lessee an easement (**Distribution Easement**) on and through the Lessor Property for the purpose of installing, operating and maintaining an electric distribution line and related communication lines between the Facility and electrical facilities owned by Minnesota Power ("**Utility**"). As of the Effective Date, the approximate location of the Distribution Easement is depicted in Exhibit A under the heading "Access Easement". The final location of the Distribution Easement will be determined pursuant to Section 2.4.

**Section 3.8. Utility Easement.** Lessor acknowledges that the Facility must be interconnected to the network or grid of Utility, and that such interconnection may require Lessor to grant separate easements (collectively, the "**Utility Easement**") to Utility for access, transmission, facilities, or the like. Lessor agrees to negotiate in good faith, and to cooperate with, Lessee and Utility for the purpose of effecting the interconnection and documenting the Utility Easement.

**Section 3.9. During Construction Period.** During the Construction Period, Lessor hereby grants to Lessee, the easements and licenses described in Sections 3.10 through 3.11.

**Section 3.10. Permit Requirements.** Lessor hereby acknowledges and agrees that Lessee will be required to obtain certain permits, licenses and authorizations in order to construct the Facility and that Lessee will be required to institute certain temporary measures (such as sediment control devices/silt fences) on or near the Lease Premises in order to comply with the terms and conditions of such permits, licenses and authorizations. To the extent Lessee is required to install any such temporary measures on any portion of the Lessor Property outside of the Lease Premises, Lessor hereby grants to Lessee an easement on the necessary portion of the Lessor Property for the purpose of installing and maintaining such temporary measures. The easement granted under this Section 3.11 shall automatically terminate upon the earlier to occur of (i) the date such temporary measures are no longer required pursuant to the terms of the applicable permit, license or authorization, and (ii) the date that is six (6) months after the Commercial Operation Date.

**Section 3.11. Additional Consideration.** Lessor and Lessee hereby acknowledge and agree that the amounts set forth in Section 4.1 have been sized to include good and valuable consideration for each of the easements set forth in this Article III and, as such, no additional consideration shall be due and payable with respect to any such easements.

## **ARTICLE IV RENT AND TAXES**

### **Section 4.1. Rent.**

(a) As consideration for its rights under this Agreement during the Option Period, Lessee shall make payments in the amount and in the manner set forth for such period in Exhibit D.

(b) If Lessee elects to exercise the Option, Lessee shall pay Lessor the following amounts (collectively, the "**Rent**"):

(i) For the period of time between the Construction Date and the Commercial Operation Date (the "**Construction Period**"); Lessee shall pay Rent ("**Construction Rent**") in the amount and in the manner set forth for such period in Exhibit D; and

(ii) From and after the Commercial Operation Date, Lessee shall pay Rent ("**Commercial Operation Rent**") in the amount and in the manner set forth for such period in Exhibit D.

The "**Construction Date**" shall be the date on which construction of the Facility commences, as declared by the Lessee in a written notice to the Lessor. The "**Commercial Operation Date**" shall be the first day of the first full month after the Facility commences commercial production and sale of electricity, as determined by the Utility.

(c) Lessor and Lessee acknowledge and agree that the Commercial Operation Date is expected to occur not later than 2 years after the Lease Commencement Date (the last day of such period, as the same may be extended due to Force Majeure or by mutual agreement of the parties, is referred to herein as the "**Commercial Operation Date Deadline**"). If the Commercial Operation Date does not occur on or prior to the Commercial Operation Date Deadline, then:

(i) Lessee may elect to begin paying Commercial Operation Rent, in which case the Commercial Operation Date Deadline shall be deemed to be the Commercial Operation Date and this Agreement shall remain in full force and effect; or

(ii) Lessee may elect not to begin paying Commercial Operation Rent, in which case either Lessee or Lessor may, if the Commercial Operation Date does not occur within ninety days following the Commercial Operation Date Deadline, terminate this Agreement by delivering written notice to the other to such effect, in which case neither Lessee nor Lessor shall have any further obligations under this Agreement and Lessee shall have no further obligation to pay Rent to Lessor.

Lessee shall use commercially reasonable efforts to have the Commercial Operation Date occur on or before Commercial Operation Date Deadline.

#### **Section 4.2. Taxes, Assessments and Utilities.**

(a) Lessor is a governmental entity and, as such, is exempt from all real estate taxes, personal property taxes, and other similar ad valorem taxes assessed against the Lessor Property.

(b) Lessee shall pay all personal property, production and other taxes and assessments levied against the Facility or its energy production when due, including any

of Lessee's equipment within the Lease Premises, Access Easement, Distribution Easement and Utility Easement. If the Lessor Property experiences any increase in the amount of real property taxes assessed against it as a result of the installation of the Facility on the Lease Premises or within the Access Easement, Distribution Easement and Utility Easement, including any reclassification of all or a portion of the Lessor Property pursuant to applicable law, Lessee shall pay or reimburse Lessor an amount equal to the increase caused by the Facility no later than ten (10) days prior to the date on which the applicable real estate taxes are due to be paid by Lessor, provided that not less than thirty (30) days prior to such due date Lessor provides Lessee with copies of the applicable current and past statements of real estate taxes payable for the Lessor Property and any related information demonstrating the increase was caused by the Facility and the amount of the increase.

(c) Either party may contest the validity or amount of any levied taxes, assessments or other charges for which each is responsible under this Agreement as long as such contest is pursued in good faith and with due diligence and the party contesting the tax, assessment or charge has paid the obligation in question or established adequate reserves to pay the obligation in the event of an adverse determination.

## **ARTICLE V TERMINATION; DEFAULT**

**Section 5.1. Termination.** This Agreement shall terminate upon the first to occur of the following:

(a) On the last day of the Option Period if Lessee fails to exercise the Option by the end of the Option Period;

(b) Upon the expiration of the Lease Term, as the same may be extended pursuant to Section 2.2;

(c) Upon the written agreement of the parties to terminate this Agreement;

(d) Upon an uncured Event of Default by a party and the written election of the non-defaulting party to terminate this Agreement pursuant to Section 5.2;

(e) Upon Lessee's notice to terminate pursuant to Section 10.1; or

(f) Upon written notice to terminate by Lessee pursuant to Section 1.1(d); or

(g) Upon written notice to terminate by Lessee or Lessor pursuant to Section 4.1(c)(ii).

**Section 5.2. Events of Default.**

(a) Each of the following shall constitute an event of default (“**Event of Default**”) that shall permit the non-defaulting party to terminate this Agreement or pursue other remedies available at law or equity:

(i) any failure by Lessee to pay Rent if the failure to pay continues for thirty (30) days after written notice from Lessor;

(ii) any other material breach of this Agreement by either party which continues for thirty (30) days after written notice of default from the non-defaulting party or, if the cure will take longer than thirty (30) days, the length of time necessary to effect cure as long as the defaulting party is making diligent efforts to cure during that time.

(b) For all claims, causes of action and damages, the parties shall be entitled to the recovery of actual damages allowed by law unless otherwise limited by this Agreement. Neither the enumeration of Events of Default in Section 5.2 nor the termination of this Agreement by a non-defaulting party shall limit the right of a non-defaulting party to rights and remedies available at law, including, but not limited to, claims for breach of contract or failure to perform by the other party and for direct damages incurred by the non-defaulting party as a result of the termination of this Agreement.

### **Section 5.3. Effect of Termination.**

(a) Upon the termination or expiration of this Agreement, whether as to the entire Lease Premises and easements or only as to part, Lessee shall remove the Facility located on the portion of the Lease Premises and/or easements that is terminated or expired within 12 months from the date of such expiration or termination. During such period, Lessee shall be required to pay the amounts set forth in Section 4.

(b) The duty to remove the Facility under Section 5.3(a) shall include the duty to (i) remove from the Lease Premises and easements (or applicable portion thereof) all above surface grade equipment relating to the Facility and other personal property owned, located, installed or constructed by or on behalf of Lessee thereon, (ii) remove (from the Lease Premises and easements (or applicable portion thereof) foundations and other fixtures of Lessee to a depth of 2 feet below the surface grade, (iii) cover up all pit holes, trenches and other borings and excavations made by or on behalf of Lessee on the Lease Premises and easements (or applicable portion thereof), and (iv) leave the surface of the Lease Premises and easements (or applicable portion thereof) free from debris arising from the foregoing or from the operations or activities of Lessee. Reclamation shall include, as reasonably required, repair or replacement of damaged drainage tile, leveling, terracing, mulching and other reasonably necessary measures to prevent soil erosion.

(c) Lessor shall provide Lessee with reasonable access to the Lease Premises and easements during the performance of such removal and other work by Lessee for a period of 12 months following the termination or expiration of this Agreement.

(d) If Lessee fails to remove all applicable parts of the Facility within 12 months following the termination or expiration of this Agreement, or such longer period as Lessor may provide by extension, that portion of Facility shall be considered abandoned by Lessee and Lessor may remove that portion of the Facility owned by Lessee from the Lease Premises and easements and dispose of it in its sole discretion without notice or liability to Lessee. In the event Lessee fails to remove any of the Facility as required, Lessor may do so, in which case Lessee shall, within thirty (30) days after receipt of an invoice from Lessor, reimburse Lessor for reasonable and documented costs of removal and restoration incurred by Lessor, net of any amounts reasonably recoverable by Lessor with respect to the salvage value of any such equipment.

**Section 5.4. Surrender.** Upon the termination or expiration of this Agreement, Lessee shall peaceably surrender possession of the Lease Premises and easements.

**Section 5.5. Specific Performance.** Lessor acknowledges and agrees that should Lessor breach any of its obligations hereunder or otherwise fail to permit Lessee to exercise any of the rights and privileges granted herein, damages would be difficult to calculate and money damages would not be sufficient to compensate Lessee for such breach. As a result, Lessee shall have the right to seek specific enforcement of this Agreement. In that event, Lessor agrees that Lessee has no adequate remedy at law.

**Section 5.6. No Consequential Damages.** Notwithstanding anything to the contrary in this Agreement, except as specifically set forth in Section 7.6(b) and Section 8.1, neither Lessee nor Lessor shall be entitled to, and each of the expressly waives, any and all rights to recover consequential, incidental, punitive, indirect or exemplary damages, including, but not limited to, loss of use, loss of revenues, loss of profit, interest charges, or cost of capital, however arising, whether in contract, tort, equity or otherwise, with respect to any claim, action or damages arising from or in connection with this Agreement. Lessee's members, subscribers and Lenders shall have no personal liability or responsibility to Lessor for any damages incurred by Lessor pursuant to this Agreement, and Lessee shall be exclusively responsible to Lessor for any such damages, subject to the provisions of this Agreement.

## **ARTICLE VI LESSEE'S COVENANTS**

Lessee covenants, represents and warrants to Lessor as follows:

**Section 6.1. Liens.** Except as expressly provided in this Agreement, Lessee shall keep the Lease Premises and Lessor Property free and clear of all liens and claims of liens for labor, materials, services, supplies and equipment performed on or furnished to Lessee or the Facility on the Lease Premises in connection with Lessee's use of the Lease Premises. Lessee may contest any such lien, but shall post a bond or utilize other available means to remove any lien that is created during the contested proceeding. Lessee agrees to otherwise remove any lien or encumbrance for which it is responsible pursuant to this paragraph within ninety (90) days of the creation of any such lien or encumbrance.

## **Section 6.2. Permits and Laws.**

(a) Lessee and its subcontractors, agents and designees shall at all times comply in all material respects with all federal, state and local laws, statutes, ordinances, rules, regulations, judgments and other valid orders of any governmental authority ("**Requirements of Law**"), with respect to Lessee's activities pursuant to this Agreement, including Environmental Law, and shall obtain all material permits, licenses and authorizations required thereunder to conduct any and all such activities.

(b) Lessee shall design, construct, install and operate the Facility and any related equipment in all material respects in accordance with Prudent Electric Industry Practice, all Requirements of Law, any local electrical code, and the requirements of Utility.

(c) FAA Approval. Prior to construction commencement, Lessee shall obtain approval from the Federal Aviation Administration (FAA), only to the extent required by applicable law.

## **Section 6.3. Lessee's Improvements.**

(a) The Facility and related equipment constructed, installed or placed on the Lease Premises and within the Access Easement, Distribution Easement and Utility Easement by Lessee pursuant to this Agreement shall be the sole property of Lessee (or the Utility), and Lessor agrees that it shall have no ownership or other interest in the Facility and related equipment owned by Lessee (or the Utility) on the Lease Premises or within the Access Easement, Distribution Easement or Utility Easement. The Facility is and shall remain personal property of the Lessee (or Utility), notwithstanding any present or future common ownership of the Facility and the Lease Premises, and irrespective of whether any of the Facility is deemed to be a fixture or otherwise part of the Lessor Property or any improvements on the Lessor Property, and Lessor acknowledges that the Facility is and shall remain personal property of Lessee (or Utility) irrespective of the manner of its attachment or connection to the Lessor Property. Lessor acknowledges that Lessee's lenders ("**Lenders**") may request a first priority security interest in the Facility as collateral for financing of the Facility, and Lessor consents to the grant by Lessee of such a security interest, and the filing of instruments necessary to perfect such a security interest under the Uniform Commercial Code in the Facility as personal property of the Lessee.

(b) Throughout the Lease Term, Lessee shall, at its sole cost and expense, maintain the Facility in good condition and repair, ordinary wear and tear excepted. Any portion of the Facility constructed, installed or placed on the Lease Premises or within the Access Easement, Distribution Easement and Utility Easement by Lessee pursuant to this Agreement may be replaced, repaired or refurbished by Lessee at any time.

(c) Lessee shall use reasonable care in the installation and construction of the Facility so as to avoid damage to the Lessor Improvements and Lease Premises and risk

of injury to Lessor's employees, customers, tenants, guests and invitees. Lessee shall secure its equipment, interests and supplies during construction, and remove any construction debris on a regular basis.

**Section 6.4. Hazardous Wastes.** Lessee shall not use, store, dispose of or release on the Lease Premises or Lessor Property or cause or permit to be used, stored, disposed of or released on the Lease Premises as a result of Lessee's activities, any Hazardous Substances, except in such quantities as may be required in connection with: (i) the construction, operation and/or maintenance of the Facility; and (ii) Lessor's in normal business operations, and, in each case, only in compliance with Environmental Laws.

**Section 6.5. Insurance.**

(a) Lessee shall obtain and maintain in force the following policies of insurance covering the Facility and Lessee's activities on the Lease Premises at all times during the Lease Term: (i) comprehensive general liability insurance with coverage for property damage and for bodily injury or death to any person on a per occurrence basis, and (ii) such other insurance as is required by law. Such insurance coverage may be provided as part of a blanket policy that covers other facilities or properties as well. Any such policies shall name Lessor as an additional insured and shall provide for thirty (30) days prior written notice to Lessor of any cancellation or material change.

**Section 6.6. Notice of Access.** Without limiting or reducing the rights of access granted to Lessee pursuant to this Agreement, to the extent Lessee's access to the Facility can only be accomplished by entry to, on, through or over the Lessor Property and outside the Access Easement, Lessor agrees to provide such access so long as Lessee gives Lessor reasonable notice before any entry in, through or over the applicable Lessor Property by Lessee or its agents, employees and contractors. Notwithstanding this provision, Lessee shall be permitted to enter the Lease Premises at all times in case of an Emergency related to the Facility without prior notice, and Lessee shall notify Lessor as soon as practicable after any such entry.

**Section 6.7. Relationship with Utility.** Lessee shall be solely responsible for the negotiation and performance of any agreement with the Utility or any other purchaser of the electricity generated by the Facility, and any sale agreements by which Environmental Attributes are conveyed. Lessor agrees to cooperate with Lessee in this respect by providing information in its possession, custody or control upon reasonable request.

**Section 6.8. Utilities.** Lessee shall pay for all water, electric, telecommunications and any other utility services used by the Facility or Lessee on the Lease Premises.

**Section 6.9. Interconnection of Electrical Facilities.** If the Facility is constructed, Lessee shall interconnect the Facility to the Utility's electrical system at the location and in the manner described in Exhibit C ("**Interconnection Point**") unless otherwise required by the Utility. Lessor agrees to permit Lessee to interconnect the Facility with the Utility on the Lessor Property, if applicable, and to deliver electricity to the

Utility at the Utility Interconnection Point. As between Lessor and Lessee, Lessee shall be responsible for all costs of procuring, installing, maintaining and operating any equipment or facilities necessary to interconnect the Facility at the Utility Interconnection Point. Lessee shall design, install, operate and maintain all interconnection facilities and equipment, meters and other electrical equipment so as to minimize or prevent any adverse effect on Lessor, Lessor Improvements or Lessor's operations and activities on the Lessor Property.

## **ARTICLE VII LESSOR COVENANTS**

Lessor covenants, represents and warrants to Lessee as follows:

### **Section 7.1. Title and Authority.**

(a) Lessor is the sole owner of the Lessor Property (including the Lease Premises, Access Easement, Distribution Easement and Utility Easement) and all Lessor Improvements in fee simple.

(b) Each person or entity signing the Agreement on behalf of Lessor has the full and unrestricted authority to execute and deliver this Agreement and to grant the easements and rights granted herein.

(c) When signed by Lessor, this Agreement constitutes a valid and binding agreement enforceable against Lessor in accordance with its terms.

(d) Except as listed in Exhibit F, there are no (i) encumbrances or liens, or (ii) leases or agreements, including crop farmer leases, in either case against or affecting the Lessor Property (including the Lease Premises, Access Easement, Distribution Easement and Utility Easement) or any Lessor Improvements.

(e) Lessor agrees to deliver any documents necessary to correct any title defects which would, if not corrected, adversely affect Lessee's rights hereunder or its ability to obtain and maintain financing of the Facility.

**Section 7.2. Quiet Enjoyment.** Lessor covenants that Lessee shall have the right of quiet use and enjoyment of the Lease Premises, Access Easement, Distribution Easement and Utility Easement for the Lease Term in accordance with the terms of this Agreement without any interference of any kind by Lessor or any person claiming through Lessor. Lessor and its activities on the Lease Premises, Access Easement, Distribution Easement and Utility Easement and any grant of rights Lessor makes to any other person shall not interfere with any of Lessee's activities pursuant to this Agreement. Lessor shall not interfere with any of Lessee's activities pursuant to this Agreement, and Lessor shall not interfere or allow interference with the receipt of sunlight over the Solar Premises or otherwise engage in activities which might impede or decrease the output or efficiency of the Facility, except as otherwise permitted pursuant to this Agreement.

**Section 7.3. Hazardous Materials.** Lessor shall not use, store, dispose of or release on the Lease Premises or cause or permit to be used, stored, disposed of or released on the Lease Premises as a result of Lessor's operations, any Hazardous Substance, except in such quantities as may be required in its normal business operations and only if such use is not harmful to Lessee and is in full compliance with all Environmental Laws. Lessor represents to Lessee that as of the date of this Agreement, to the best of Lessor's knowledge, there are no Hazardous Substances on, in or under the Lease Premises, Lessor Property, or any improvements thereon, in violation of Environmental Laws.

**Section 7.4. Cooperation.** Lessor shall cooperate with Lessee to obtain non-disturbance and subordination agreements from any person or entity with a lien, encumbrance, mortgage, lease or other exception to Lessor's fee title to the Lease Premises, Access Easement, Distribution Easement and Utility Easement to the extent necessary to eliminate any actual or potential interference by any such lienholder with any rights granted to Lessee under this Agreement. Lessor shall also cooperate with Lessee to obtain and maintain any approvals, authorization and permits needed in connection with the analysis, development, construction, maintenance, and operation of the Facility. Lessor shall also provide Lessee with such further assurances and shall execute any estoppels certificates, consents to assignments or additional documents that may be reasonably necessary for recording purposes or requested by Lessee or any of its Lenders.

**Section 7.5. Environmental Attributes, Energy and Capacity; Tax Incentives.**

(a) Lessor acknowledges that Lessee retains all rights to any Environmental Attributes arising from the Facility and the electricity and capacity produced by the Facility irrespective of whether Lessor consumes or uses any of the electricity generated by the Facility and that Lessor has no title or right to any such Environmental Attributes related to, arising from or associated with the Facility or any electrical capacity or energy created by the Facility.

(b) For the avoidance of doubt, Lessee's Environmental Attributes include all rights to report, market and otherwise receive credit for the creation of electricity using the Facility. Lessor agrees not to publicize, report, market or otherwise take credit for the creation or use of the Environmental Attributes or electricity from the Facility in any manner which would interfere with the Lessee's rights to such Environmental Attributes or diminish the value of Lessee's Environmental Attributes. Lessee shall have the right to sell any or all such Environmental Attributes to another person in its sole discretion. Lessor and Lessee shall cooperate to identify appropriate public statements which Lessor may use regarding the Facility that will not interfere with Lessee's Environmental Attributes.

(c) Any grant, rebate, incentive payment, tax credit or any other cash or tax benefit arising from or associated with the installation or ownership of the Facility or the production of energy and capacity by the Facility, shall inure to the exclusive benefit of Lessee, including, but not limited to, any production tax credit or investment tax credit

pursuant to 26 U.S.C. Sections 45 and 48 or any other U.S. federal tax credits based on energy investment or similar state tax law provisions. Lessor shall cooperate with Lessee in any applications for such benefits or credits to the extent Lessor's participation is necessary for eligibility, and if any such program or benefit requires the Lessor to be the recipient, Lessor agrees to assign or reimburse any such amounts received to Lessee.

#### **Section 7.6. Drain Tile Work.**

(a) Lessor hereby represents and warrants that, as of the Effective Date of this Agreement, no drain tile is present or located on the Lessor Property. In the event Lessee discovers the existence of any drain tile on the Lessor Property during the course of conducting Due Diligence Activities, Lessor expressly and irrevocably waives any and all rights to repair, replace, maintain, or otherwise engage in activities related to such drain tile on the Lessor Property, whether or not such drain tile impacts or interferes with the Lessee's use, operations, or development of the property. Lessor further agrees to hold harmless and indemnify the Lessee from and against any claims, demands, costs, liabilities, or damages arising directly or indirectly from the presence, discovery, or condition of said drain tile.

### **ARTICLE VIII INDEMNIFICATION**

**Section 8.1. Indemnification.** Each party (the "**Indemnifying Party**") agrees to defend, indemnify and hold harmless the other party and the other party's officers, directors, employees, representatives, mortgagees and agents (collectively the "**Indemnified Party**") against any and all losses, damages, claims, fines, penalties, expenses and liabilities for physical damage to property and for death or physical injury to any person, including, without limitation, reasonable attorneys' fees and consequential damages ("**Damages**"), to the extent resulting from or arising out of (i) any operations or activities of the Indemnifying Party on the Lessor Property or Lease Premises; (ii) any negligent or intentional act or omission on the part of the Indemnifying Party; or (iii) any breach of this Agreement by the Indemnifying Party. Nothing in this Section shall relieve Lessor or Lessee of any liability to the other for any breach of this Agreement. This indemnification obligation shall apply notwithstanding any negligent or intentional acts, errors or omissions of the Indemnified Parties but the Indemnifying Party's liability to pay damages to the Indemnified Party shall be reduced in proportion to the percentage by which the Indemnified Party's negligence or intentional acts, errors or omissions caused the Damages. Notwithstanding the foregoing, Lessor shall be solely responsible for and shall indemnify, defend and hold harmless Lessee and its officers, directors employees, representatives, mortgagees and agents from and against any and all Damages (including any costs of environmental investigation and/or remediation) resulting from any violation of Environmental Law or the use, presence or release of Hazardous Substances at, on, under or from the Lessor Property or Premises (i) occurring prior to the date of this Agreement, or (ii) by any person, operation or activity other than the operations and activities of Lessee, including the migration of Hazardous Substances onto the Lessor Property or Premises from any off-site source. Neither party shall be indemnified for its

Damages resulting from its sole negligence or intentional wrongful acts. These indemnity provisions shall not be construed to relieve any insurer of its obligations to pay claims consistent with the provisions of a valid insurance policy. This indemnification provision shall survive the expiration or termination of this Agreement.

## **ARTICLE IX ENCUMBRANCE OF LEASE PREMISES AND ASSIGNMENT**

### **Section 9.1. Right to Encumber.**

(a) Lessee may at any time mortgage, pledge or encumber all or any part of its interest in the Lease Premises, easements and rights under this Agreement and/or enter into a collateral assignment of all or any part of its interest in the Lease Premises, easements or rights under this Agreement to any Lender without the consent of Lessor. Any Lender shall have no obligations under this Agreement until such time as it exercises its rights to acquire Lessee's interests subject to the lien of Lender's mortgage by foreclosure or otherwise assumes the obligations of Lessee directly. Lessee shall notify Lessor of the identity and notice address for any Lender, but failure to do so will not be a default under this Agreement.

(b) Lessor and Lessee agree that, once all or any part of Lessee's interests in the Lease Premises and/or easements are mortgaged or assigned to a Lender, they will not modify or terminate this Agreement without the prior written consent of the Lender. Lessor agrees to cooperate with any Lender and agrees to consider and negotiate in good faith any modifications to this Agreement which may be requested by any Lender; provided that such changes do not alter the fundamental economic terms of this Agreement. In connection with any assignment by Lessee or the Lenders, Lessor agrees to execute any consent, estoppel or acknowledgement in form and substance reasonably acceptable to such Lenders.

(c) Lessor agrees that any Lender shall have the right to make any payment and to do any other act or thing required to be performed by Lessee under this Agreement, and any such payment, act or thing performed by Lender shall be effective to prevent or cure a default under this Agreement and any forfeiture of any of Lessee's rights under this Agreement as if done by Lessee itself.

(d) During the time all or any part of Lessee's interests in the Lease Premises and/or easements are mortgaged or assigned to any Lender, if Lessee defaults under any of its obligations and Lessor is required to give Lessee notice of the default Lessor shall also be required to give Lender notice of the default. If Lessor becomes entitled to terminate this Agreement due to an uncured default by Lessee, Lessor will not terminate this Agreement unless it has first given written notice of the uncured default and of its intent to terminate this Agreement to the Lender and has given the Lender at least thirty (30) days to cure the default to prevent termination of this Agreement. If such default cannot reasonably be cured within such thirty (30) day period, or if within such thirty (30) day period the Lender notifies the Lessor that it must foreclose on Lessee's interest or otherwise take possession of Lessee's interest under this Agreement or enforce another

remedy available to Lender with respect to Lessee in order to cure the default, Lessor shall not terminate this Agreement and shall permit the Lender a sufficient period of time as may be necessary for the Lender, with the exercise of due diligence, to foreclose, acquire Lessee's interest under this Agreement or otherwise enforce its remedies with respect to Lessee, and to perform or cause to be performed all of the covenants and agreements to be performed and observed by Lessee. The time within which Lender must foreclose, acquire Lessee's interest or otherwise enforce its remedies with respect to Lessee shall be extended to the extent Lender is prohibited by an order or injunction issued by a court or the operation of any bankruptcy or insolvency law from commencing or prosecuting the necessary foreclosure or acquisition. In no event, however, shall any Lender be required to cure any default that is not reasonably susceptible of being cured or performed by such Lender, and any such defaults shall be deemed waived.

(e) The acquisition of all or any part of Lessee's interests in this Agreement by any Lender through foreclosure or other judicial or non-judicial proceedings in the nature of foreclosure, or by any conveyance in lieu of foreclosure, shall not require the consent of Lessor nor constitute a breach or default of this Agreement by Lessee, and upon the completion of the acquisition or conveyance Lessor shall acknowledge and recognize Lender as Lessee's proper successor under this Agreement upon Lender's cure of any existing Lessee defaults and assumption of the obligations of Lessee under this Agreement prospectively.

(f) In the event this Agreement is rejected by a trustee or a debtor-in-possession in any bankruptcy or insolvency proceeding Lessor agrees, upon request by any Lender within sixty (60) days after the rejection or termination, to execute and deliver to Lessee or Lender a new lease for the Lease Premises which (i) shall be effective as of the date of the rejection or termination of this Agreement, (ii) shall be for a term equal to the remainder of the term of this Agreement before giving effect to such rejection or termination, and (iii) shall contain the same terms, covenants, agreements, provisions, conditions and limitations as are contained in this Agreement (except for any obligations or requirements which have been fulfilled by Lessee or Lender prior to rejection or termination). Prior to the execution and delivery of any such new lease, Lessee, or Lender shall (i) pay Lessor any amounts which are due Lessor from Lessee, (ii) pay Lessor any and all amounts which would have been due under this Agreement but for the rejection or termination from the date of the rejection or termination to the date of the new lease and (iii) agree in writing to perform or cause to be performed all of the other covenants and agreements to be performed by Lessee under this Agreement to the extent Lessee failed to perform them prior to the execution and delivery of the new lease.

(g) Lessor acknowledges and agrees that it may not sell, transfer, lease, assign, mortgage, or otherwise encumber the Facility or any of Lessee's interest in, and all other rights granted to Lessee under, this Agreement.

**Section 9.2. Assignment.** Lessee may assign, sublease, transfer or convey its interests in this Agreement to an affiliate or subsidiary of Lessee which will own, lease or otherwise control the Facility, or an entity through which succeeds to all or substantially

all Lessee's assets, without Lessor's consent. Lessee may also assign, sublease, transfer or convey its interests in this Agreement to a third party without Lessor's consent, provided that (i) any such assignment or conveyance shall not be for a period beyond the term of this Agreement; (ii) the assignee or transferee shall be subject to all of the obligations, covenants and conditions applicable to the Lessee; and (iii) Lessee shall not be relieved from liability for any of its obligations under this Agreement by virtue of the assignment or conveyance unless Lessee assigns or conveys all of its interests under this Agreement to the assignee or transferee and the assignee or transferee expressly agrees in writing to perform the Lessee's obligations, covenants and conditions. Any permitted assignee or transferee of Lessee's rights or interests under this Agreement shall be entitled to receive Lessor's performance of Lessor's obligations under this Agreement and Lessor shall accept the assignee or transferee as the Lessee under this Agreement in all respects.

## **ARTICLE X CONDEMNATION; FORCE MAJEURE**

**Section 10.1. Condemnation.** If eminent domain proceedings are commenced against all or any portion of the Lease Premises or Lessor Property, and the taking and proposed use of such property would prevent or adversely affect Lessee's construction, installation or operation of the Facility on the Lease Premises or related easements, the parties shall either amend this Agreement to reflect any necessary relocation of the Facility which will preserve the value and benefit of the Lease Premises and easements to Lessee, together with any corresponding payments, or, at Lessee's option, this Agreement shall terminate in which event neither party shall have any further obligations.

**Section 10.2. Proceeds.** All payments made by a condemnor on account of a taking by eminent domain shall be the property of the Lessor, except that Lessee shall be entitled to any award or amount paid for the reasonable costs of removing or relocating any Facility or the loss of any of the Facility or the loss of use of the Lease Premises and/or easements pursuant to this Agreement. Lessee shall have the right to participate in any condemnation proceedings to protect its Facility and its rights and interests under this Agreement.

**Section 10.3. Force Majeure.** Neither Lessor nor Lessee shall be liable to each other, or be permitted to terminate this Agreement, for any failure to perform an obligation of this Agreement to the extent such performance is prevented by a Force Majeure. For purposes of this Agreement, "**Force Majeure**" shall mean an event beyond the control of the party affected and which, by exercise of due diligence and foresight, could not reasonably have been avoided, and includes, but is not limited to, fire, earthquake, flood, hurricane, tornado, war, epidemics, riot or civil strife, strikes or labor disputes, or the action by any governmental authority to prohibit the performance of the applicable obligation for reasons not attributable to the affected party. The affected party shall notify the other party of the occurrence of the Force Majeure and its effect on performance of this Agreement and shall take all reasonable efforts to remove or

overcome the effects of the Force Majeure preventing performance of its obligations under this Agreement.

## **ARTICLE XI MISCELLANEOUS**

**Section 11.1. Notice.** Notices, consents or other documents required or permitted by this Agreement must be given by personal delivery, reputable overnight courier, or U.S. certified mail postage prepaid and shall be sent to the respective parties as follows:

To Lessor: Carlton County, a Minnesota  
Municipal Corporation  
1630 County Road 61,  
Carlton, MN 55718

To Lessee: US Solar Development LLC  
c/o US Solar  
323 Washington Ave N., Suite 350  
Minneapolis, MN 55401  
Attention: Real Estate Notices

Notice shall be deemed delivered upon receipt or refusal, if personally delivered, upon the date of actual delivery or refusal shown on the courier's delivery receipt if sent by overnight courier, and on the fourth business day after deposit in the U.S. mail if sent by certified mail. Any party may change the address for notice by notice to the other party.

**Section 11.2. No Third-Party Beneficiaries.** Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or liability to, any person not a party to this Agreement. Except for the rights of Lenders set forth in this Agreement and the successors and assigns of Lessee and Lessor, no provision of this Agreement is intended to nor shall it in any way inure to the benefit of any third party so as to constitute any such person a third party beneficiary under this Agreement, or of any one or more of the terms of this Agreement, or otherwise give rise to any cause of action in any person not a party to this Agreement.

### **Section 11.3. Entire Agreement.**

(a) It is mutually understood and agreed that this Agreement constitutes the entire agreement between Lessor and Lessee and supersedes any and all prior oral or written understandings, representations or statements, and that no understandings, representations or statements, verbal or written, have been made which modify, amend, qualify or affect the terms of this Agreement. Except as otherwise provided in Section 2.4, this Agreement may not be amended except in a writing executed by both parties.

(b) If, at any time during the term of this Agreement, Lessee deems it to be necessary or desirable to meet legal, regulatory or other requirements, Lessee may

request that Lessor re-execute a new agreement substantially in the form of this Agreement with the same rents and with a term equal to the term of this Agreement remaining as of the date of execution of the new agreement, and Lessor shall execute and enter into the new agreement with Lessee or its designee.

**Section 11.4. Governing Law; Legal Matters.**

(a) This Agreement is made in Minnesota and shall be governed by the laws of the State of Minnesota. This instrument is exempt from Minnesota deed tax. If the parties are unable to resolve amicably any dispute arising out of or in connection with this Agreement, they agree that such dispute shall be resolved in a state court located in Minnesota.

(b) EACH OF THE PARTIES KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. EACH OF THE PARTIES TO THIS AGREEMENT WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF THE PARTIES FOR ENTERING INTO THIS AGREEMENT.

**Section 11.5. Cooperation.** Each of the parties, without further consideration, agrees to execute and deliver such additional documents and take such action as may be reasonably necessary to carry out the purposes and intent of this Agreement and to fulfill the obligations of the respective parties. Without limiting the generality of the foregoing, Lessor hereby acknowledges and agrees that it will be required in the future to execute each of the documents set forth in Exhibit H.

**Section 11.6. Waiver.** Neither party shall be deemed to have waived any provision of this Agreement or any remedy available to it unless such waiver is in writing and signed by the party against whom the waiver would operate. Any waiver at any time by either party of its rights with respect to any rights arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent or other matter.

**Section 11.7. Relationship of Parties.** The duties, obligations and liabilities of each of the parties are intended to be several and not joint or collective. This Agreement shall not be interpreted or construed to create an association, joint venture, fiduciary relationship or partnership between Lessor and Lessee or to impose any partnership obligation or liability or any trust or agency obligation or relationship upon either party. Lessor and Lessee shall not have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act or be an agent or representative of, or to otherwise bind, the other party.

**Section 11.8. Confidentiality.**

(a) The parties acknowledge that during the course of the performance of their respective obligations under this Agreement, either party may need to provide information to the other party that the disclosing party deems to be confidential, proprietary or a trade secret. The Parties acknowledge that any data kept and generated by the Lessor is subject to the Minnesota Data Practices Act. Minn. Stat. Chapter 13 and that where the Lessors obligations under the law conflict with the terms of this lease, the Lessor's obligations under the law govern. Notwithstanding the foregoing, Lessor agrees that it shall not voluntarily disclose any Confidential Information and, to the extent disclosure is required in response to a request under the Minnesota Data Practices Act or other applicable law, Lessor shall use reasonable efforts to protect such information from public disclosure, including by asserting applicable exemptions and redacting Confidential Information to the maximum extent permitted by law.

**Section 11.9. Severability.** Should any provision of this Agreement be or become void, illegal or unenforceable, the validity or enforceability of the other provisions of this Agreement shall not be affected and shall continue in full force. The parties will, however, use their best efforts to agree on the replacement of the void, illegal or unenforceable provisions with legally acceptable clauses which correspond as closely as possible to the sense and purpose of the affected provision and this Agreement as a whole.

**Section 11.10. Counterparts.** This Agreement may be executed in two or more counterparts and by different parties on separate counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

**Section 11.11. Multiple Land Owners.** The following shall apply in the event that Lessor is comprised of two or more persons or entities at any time during the term of this Agreement. Any obligation under this Agreement for Lessee to pay Lessor any amount will be completely and unconditionally satisfied by payment of such amount by Lessee to the party named for Lessor in Section 11.1 at the address for such party given in Section 11.1, or such other single address designated by not less than thirty (30) days' prior written notice to Lessee signed by all parties then comprising Lessor. At Lessee's election such payment may be by joint check or payable to the Lessor parties known to Lessee. The parties comprising Lessor shall be solely responsible to notify Lessee in writing of any change in ownership of the Lease Premises or any portion thereof. Each of the parties comprising Lessor hereby irrevocably directs and authorizes Lessee to make all payments payable to Lessor under this Agreement and to provide all notices to Lessor under this Agreement directly to the party named in Section 11.1 as agent for all parties comprising Lessor, or to such other single person that all parties comprising Lessor shall direct by written notice to Lessee. The parties comprising Lessor shall be solely responsible for distributing their respective shares of such payments between themselves and agrees to resolve any dispute they might have between themselves, and shall not join Lessee in any such dispute.

**Section 11.12. Burdens Run With and Against the Land.** The burdens of the easements and all other rights granted to Lessee in this Agreement shall run with and against the Lease Premises and the Lessor Property and shall be a charge and burden on the Lease Premises and the Lessor Property and shall be binding upon and against Lessor and its successors, assigns, permittees, licensees, lessees, employees and agents. The Lease Premises, including the easements and all other rights granted to Lessee in this Agreement, shall inure to the benefit of Lessee and its successors, assigns, permittees, licensees and lessees. Lessor acknowledges that any sale or conveyance of the Lessor Property or Lessor Improvements shall be subject to the leasehold and easement interests of Lessee in this Agreement.

**Section 11.13. Memorandum.** Lessor and Lessee shall execute, and Lessee shall have the right to record, a short form, recordable memorandum of this Agreement in a form substantially similar to the form attached hereto as **Exhibit G**. Lessor hereby consents to the recordation of such memorandum, which will reflect basic terms of this Agreement, including, but not limited to, any solar easement as is required under applicable Minnesota statutes, if any. Upon the expiration or termination of this Agreement, at the request of Lessor, Lessee agrees to provide a recordable acknowledgement of such expiration or termination to Lessor.

**Section 11.14. Airport Protection.** Lessor reserves and retains at all times for the benefit of Lessor and the public the right to pursue all operations of the Airport, including the right of aircraft to fly in the airspace overlying the Land or Leased Land and to cause such noise and vibration as may be inherent in the operation of aircraft on or in the vicinity of an active airport. Lessee shall only use the Land or Leased Land in the manner approved by the FAA and in compliance with all applicable laws and permits. Prior to construction, and if required by law, Lessee shall file an airspace review form 7460-1 with the FAA. Lessee shall comply with any requirements imposed by the FAA or another governmental authority having jurisdiction.

[Signature Pages Follow]

Lessor: Carlton County, a Minnesota Municipal Corporation

By: \_\_\_\_\_

Name: Thomas R Proulx

Its: County Board Chairperson

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2026 by \_\_\_\_\_, the County Board Chairperson of Carlton County, a Minnesota Municipal Corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

Approved as to Form and Consent, Carlton County Attorney

By: \_\_\_\_\_

Name: Jeffrey Boucher

Approved as to Form and Consent  
Carlton County Attorney

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2026 by \_\_\_\_\_, the Carlton County Attorney of Carlton County, a Minnesota Municipal Corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public



## EXHIBIT A

### Lessor Property, Lease Premises, Access Easement, Distribution Easement, Utility Easement and Laydown Area

1. Lessor Property: One tract in Pine County, Minnesota described as follows:

Property ID: 310001000  
Deeded Acreage: 129.49

Legal Description: Northeast Quarter of Northeast Quarter of Southeast Quarter (NE $\frac{1}{4}$  of NE $\frac{1}{4}$  of SE  $\frac{1}{4}$ ), Lot One (1), East Six Hundred Sixty (660) feet of Lot Two (2), East Half of Southwest Quarter of Northeast Quarter (E  $\frac{1}{2}$  of SW  $\frac{1}{4}$  of NE $\frac{1}{4}$ ), South Quarter of Northeast Quarter (SE $\frac{1}{4}$  of NE $\frac{1}{4}$ ), of Section One (1), Township Forty-five (45), Range Twenty (20), Pine County, Minn.

Lessor gives Lessee permission to input the full legal description for the Lessor Property after the Effective Date.

2. Lease Premises: Up to 40 acres of the one tract comprising the Lessor Property as described above. Approximate depiction of the Lease Premises (orange) is shown below. Precise legal description of the Lease Premises to be added following Effective Date pursuant to Section 2.4 of the Agreement.

3. Access Easement: Approximate depiction of the Access Easement (green) is shown below. Precise legal description of the Access Easement to be added following Effective Date pursuant to Section 2.4 of the Agreement.

4. Distribution Easement: Approximate depiction of the Distribution Easement (red) is shown below. Precise legal description of the Distribution Easement to be added following Effective Date pursuant to Section 2.4 of the Agreement.

5. Utility Easement: Approximate depiction of the Utility Easement (blue) is shown below. Precise legal description of the Utility Easement to be added following Effective Date pursuant to Section 2.4 of the Agreement.

6. Laydown Area. N/A.

EXHIBIT A CONT.



## EXHIBIT B

### Description of Solar Premises

#### 1. Solar Premises.

Same as Lease Premises as described above in Exhibit A.

## EXHIBIT C

### Interconnection Point

Interconnection of the Facility with the Utility will be at the distribution pole located on one side of the Lessor Property, unless otherwise required by Utility.

## EXHIBIT D

### Option Payments

1. Within thirty (30) business days after the Effective Date, Lessee shall pay Lessor \$2,000.00
2. For so long as the Option is alive, Lessee shall pay Lessor \$2,000.00 within thirty (30) business days of each anniversary of the Effective Date.

### Rent

All amounts shall be prorated for partial quarterly periods, as applicable.

1. **Construction Rent.** During the Construction Period, Lessee shall pay Lessor annual Rent in an amount equal to \$400.00 per acre within the Lease Premises, Access Easement, Utility Easement and Laydown Area (paid quarterly, in advance). The foregoing acreage shall be the acreage set forth in Exhibit A under the heading "Lease Premises", "Access Easement", "Utility Easement" and "Laydown Area" (as the same may be adjusted pursuant to Section 2.4 of the Agreement).

2. **Commercial Operation Rent.** From and after the Commercial Operation Date, Lessee shall pay Lessor annual Rent in an amount equal to \$900.00 per acre within the Lease Premises, Access Easement and Utility Easement (paid quarterly, in advance). The foregoing acreage shall be the acreage set forth in Exhibit A under the heading "Lease Premises", "Access Easement", and "Utility Easement" as the same may be adjusted pursuant to Section 2.4 of the Agreement.

Commercial Operation Rent shall increase by 2% per year, starting on the first anniversary of the Commercial Operation Date.

## EXHIBIT E

### Additional Defined Terms

The terms defined below, when capitalized and used in the Agreement, shall have the meanings given to them in this Exhibit E.

1. Emergency: Any condition or situation that, in the judgment of Lessor, Lessee or the Utility (a) creates a risk of injury to any person or of material damage to property, including the Lessor Improvements or Facility; or (b) adversely affects the ability of the Utility to provide to Lessor, or Lessor to receive, safe and reliable electrical service at the Lessor Property.

2. Environmental Attributes: All attributes of an environmental or other nature that are created or otherwise arise from the Facility, generation of electricity using sunlight as a source of energy, either in its own right or in contrast to the generation of electricity using nuclear or fossil fuels or resources, including, but not limited to, tags, certificates or similar products or rights associated with solar energy as a “green” or “renewable” energy resource, including any and all environmental air quality credits, emissions reductions, allowances, offsets or other benefits related to the use of solar energy at the Lessor Property in a manner which reduces, displaces or offsets emissions resulting from fuel combustion pursuant to any existing or future international, federal, regional, state or local legislation, regulation, agreement or voluntary agreement, and the aggregate amount of credits, offsets or other benefits related to any environmental or renewable energy credit trading program, information system or tracking system associated with the energy generated from the Facility, and any credits, allowances, offsets, or emission or pollution reductions for substances such as mercury, nitrogen oxide, sulfur dioxide, carbon dioxide, carbon monoxide, particulate matter, or other contaminants or air, water or soil under federal, state, regional or local law or any international regulatory or voluntary program, including the United Nations Framework Convention on Climate Change and related Kyoto Protocol and similar or successor programs, treaties, agreements, laws and regulations.

3. Environmental Law: All applicable federal, state and local laws, including statutes, regulations, rulings, orders, and legally binding governmental restrictions and requirements, relating to the production, handling, release, discharge, treatment or disposal of air pollutants, water pollutants, process waste water, Hazardous Substances, toxic substances or otherwise relating to the natural environment or natural resources, each as amended from time to time, including, but not limited to (a) the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.; (b) the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.; (c) the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. § 6901 et. seq.; (d) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq.; (e) the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601 et seq.; (f) Occupational Safety and Health Act of 1970; (g) the Emergency Planning and Community

Right-to-Know Act, 42 U.S.C. § 11001 et seq.; and (h) any other similar applicable federal, state or local law.

4. Hazardous Substance: Any substance that is listed, defined, designated, classified or regulated under any Environmental Law as (a) a hazardous material, substance, constituent or waste, (b) a toxic material, substance, constituent or waste, (c) a radioactive material, substance, constituent or waste, (d) a dangerous material, substance, constituent or waste, (e) a pollutant, (f) a contaminant, or (g) special waste, including petroleum, petroleum products, polychlorinated biphenyls, pesticides and asbestos.

5. Lessor Improvements: The structures, facilities, fixtures, fences, tiling systems and other tangible property owned or controlled by Lessor and located on the Lessor Property.

6. Prudent Electric Industry Practice: Those methods and that equipment, as changed from time to time, that are commonly used and accepted in electrical engineering and operations to operate electrical equipment lawfully and with safety, dependability and efficiency, including, but not limited to, the requirements of the National Electric Safety Code, the National Electrical Code, the Utility, and any Requirement of Law.

## EXHIBIT F

### Liens or Encumbrance

#### Mortgages or Leases Affecting the Lease Premises

List any liens or encumbrances, such as mortgages, affecting the Lease Premises, and any leases affecting the Lease Premises, such as crop leases.

Mortgage(s):

Agricultural Lease:

Liens or Encumbrances:

EXHIBIT G  
Form of Memorandum

[See attached]

\_\_\_\_\_(Top 3 inches Reserved for Recording Data)\_\_\_\_\_

MEMORANDUM OF LEASE AND SOLAR EASEMENT

**THIS MEMORANDUM OF OPTION TO LEASE, LEASE AND SOLAR EASEMENT** (this **Memorandum**), dated as of \_\_\_\_\_, 2026 (the **Memo Effective Date**), is made by and between, Carlton County, a Minnesota Municipal Corporation, whose address is 1630 County Road 61, Carlton, MN 55718 ("**Lessor**") and **US SOLAR DEVELOPMENT LLC**, a Delaware limited liability company, whose address is 323 Washington Ave N., Suite 350, Minneapolis, MN 55401 ("**Lessee**").

A. Lessor is the owner of real property located in Pine County, Minnesota, that is legally described in Exhibit A (the "**Lessor Property**").

B. Lessor and Lessee have entered into that certain Option to Lease, Lease and Solar Easement (the "**Lease**"), having an effective date of \_\_\_\_\_, 2026, whereby Lessor leases to Lessee and Lessee leases from Lessor a portion of the Lessor Property (the "**Premises**") described in Exhibit A and whereby Lessor grants to Lessee certain easements described in Exhibit A and Exhibit B, in each case for the purposes of the Facility (as defined below).

C. Lessor and Lessee wish to give record notice of the existence of the Lease.

D. This instrument is exempt from Minnesota deed tax.

NOW THEREFORE, in consideration sum of One Dollar (\$1.00), the parties agree as follows:

1. PURPOSE OF LEASE. THE LEASE IS SOLELY FOR SOLAR PHOTOVOLTAIC ENERGY GENERATION AND RELATED PURPOSES, AND THROUGHOUT THE TERM OF THE LEASE, LESSEE SHALL HAVE THE SOLE AND EXCLUSIVE RIGHT TO USE THE LESSOR PROPERTY FOR SUCH PURPOSES. FOR PURPOSES OF THE LEASE, PHOTOVOLTAIC ENERGY GENERATION PURPOSES MEANS: (I) MONITORING, TESTING AND ASSESSING THE LESSOR PROPERTY FOR SOLAR PHOTOVOLTAIC ENERGY GENERATION, AND (II) DEVELOPING, CONSTRUCTING (INCLUDING LAYDOWN AREAS AND STORAGE AREAS), INSTALLING, OPERATING, MAINTAINING, REPAIRING, AND REPLACING PHOTOVOLTAIC ELECTRIC ENERGY GENERATING EQUIPMENT, SUPPORTING STRUCTURES AND BALLASTS, INVERTERS, ELECTRICAL STORAGE AND TRANSFORMERS,

FIXTURES, ELECTRIC DISTRIBUTION LINES, COMMUNICATION LINES, METERING EQUIPMENT, PERIMETER FENCING, INTERCONNECTION FACILITIES AND RELATED FACILITIES AND EQUIPMENT (COLLECTIVELY, THE "FACILITY") ON THE LESSOR PROPERTY. ANY IMPROVEMENTS, FIXTURES OR STRUCTURES THAT ARE NOT A PART OF THE FACILITY SHALL NOT BE INSTALLED ON THE LESSOR PROPERTY WITHOUT THE EXPRESS WRITTEN CONSENT OF LESSOR.

2. COMMERCIAL OPERATION DATE; TERM; RENEWAL TERMS. THE TERM OF THE LEASE ("TERM") SHALL COMMENCE UPON THE EFFECTIVE DATE AND CONTINUE UNTIL 11:59 PM ON THE 25TH ANNIVERSARY OF THE COMMERCIAL OPERATION DATE. THE "COMMERCIAL OPERATION DATE" SHALL BE THE FIRST DAY OF THE FIRST FULL MONTH AFTER THE FACILITY COMMENCES COMMERCIAL PRODUCTION AND SALE OF ELECTRICITY UNDER ANY CONTRACT OR AGREEMENT OR OTHER ARRANGEMENT PURSUANT TO WHICH LESSEE SELLS THE ELECTRICITY AND RELATED ENVIRONMENTAL ATTRIBUTES (AS DEFINED IN THE LEASE) TO ANY PURCHASER THEREOF. LESSEE HAS OPTIONS TO EXTEND THE INITIAL TERM OF THE LEASE FOR 3 ADDITIONAL 5 YEAR TERMS COMMENCING IMMEDIATELY ON THE DAY THAT THE TERM WOULD OTHERWISE EXPIRE.

3. SOLAR EASEMENT. THE LEASE GRANTS TO LESSEE, FOR THE TERM OF THE LEASE, AN EXCLUSIVE SOLAR EASEMENT TO USE ALL SUNLIGHT WHICH NATURALLY ARRIVES AT THE PREMISES, INCLUDING AN EXCLUSIVE EASEMENT PROHIBITING ANY OBSTRUCTION TO THE FREE FLOW OF SUNLIGHT TO THE PREMISES THROUGHOUT THE ENTIRE AREA OF THE LESSOR PROPERTY DESCRIBED IN EXHIBIT B OF THE LEASE (THE "SOLAR PREMISES"), WHICH SHALL CONSIST HORIZONTALLY THREE HUNDRED AND SIXTY DEGREES (360°) FROM ANY POINT WHERE ANY PHOTOVOLTAIC GENERATING FACILITY IS OR MAY BE LOCATED AT ANY TIME FROM TIME TO TIME (EACH SUCH LOCATION REFERRED TO AS A "SOLAR SITE") AND FOR A DISTANCE FROM EACH SOLAR SITE TO THE BOUNDARIES OF THE SOLAR PREMISES, TOGETHER VERTICALLY THROUGH ALL SPACE LOCATED ABOVE THE SURFACE OF THE SOLAR PREMISES, THAT IS, ONE HUNDRED EIGHTY DEGREES (180°) OR SUCH GREATER NUMBER OR NUMBERS OF DEGREES AS MAY BE NECESSARY TO EXTEND FROM EACH POINT ON AND ALONG A LINE DRAWN ALONG THE PLANE FROM EACH POINT ALONG THE EXTERIOR BOUNDARY OF THE SOLAR PREMISES THROUGH EACH SOLAR SITE TO EACH POINT AND ON AND ALONG SUCH LINE TO THE OPPOSITE EXTERIOR BOUNDARY OF THE SOLAR PREMISES.

4. OTHER EASEMENTS. THE LESSOR GRANTS TO LESSEE, FOR THE TERM OF THE LEASE, THE FOLLOWING EASEMENTS OVER, ACROSS AND ON THE LESSOR PROPERTY (A) A NON-EXCLUSIVE EASEMENT ("ACCESS EASEMENT") ON AND THROUGH THE LESSOR PROPERTY FOR PURPOSES OF LESSEE'S ACCESS TO THE FACILITY ON THE PREMISES, WITHIN WHICH LESSEE MAY CONSTRUCT, USE AND/OR MAINTAIN A ROAD AT LESSEE'S EXPENSE; (B) A NON-EXCLUSIVE EASEMENT ON AND THROUGH THAT PORTION OF THE LESSOR PROPERTY CONSISTING OF THE DISTRIBUTION EASEMENT (AS DEFINED IN THE LEASE) FOR THE PURPOSE OF INSTALLING, OPERATING AND MAINTAINING AN ELECTRIC DISTRIBUTION LINE AND RELATED COMMUNICATION LINES BETWEEN THE FACILITY AND ELECTRICAL FACILITIES OWNED BY CERTAIN PURCHASERS OF ELECTRICITY AND RELATED ENVIRONMENTAL ATTRIBUTES; AND (C) AN EASEMENT AND LICENSE FOR THE FACILITY TO CREATE, CAUSE, INCREASE, ACCENTUATE, OR OTHERWISE CONTRIBUTE TO THE OCCURRENCE OF LIGHT, SHADOWS, SHADOW AND LIGHT FLICKERING, GLARE AND

REFLECTION, ON AND ACROSS THE LESSOR PROPERTY. UNDER THE TERMS OF THE LEASE, LESSEE SHALL ALSO BE ENTITLED TO INGRESS AND EGRESS TO AND FROM ITS FACILITY AND APPURTENANT EQUIPMENT AND ELECTRICAL POWER LINES OVER THE PREMISES AND SUCH ADDITIONAL AREAS OF THE LESSOR PROPERTY AS SHALL BE REASONABLY NECESSARY TO ACCESS A PUBLIC ROADWAY OR ALLEY.

5. OWNERSHIP OF LESSEE'S IMPROVEMENTS; DISCLAIMER OF TITLE TO ENVIRONMENTAL ATTRIBUTES. THE FACILITY AND RELATED EQUIPMENT CONSTRUCTED, INSTALLED OR PLACED ON THE PREMISES AND WITHIN THE ACCESS EASEMENT, DISTRIBUTION EASEMENT AND UTILITY EASEMENT BY LESSEE PURSUANT TO THE LEASE SHALL BE THE SOLE PROPERTY OF LESSEE, AND LESSOR AGREES THAT IT SHALL HAVE NO OWNERSHIP OR OTHER INTEREST IN THE FACILITY AND RELATED EQUIPMENT OWNED BY LESSEE ON THE PREMISES OR WITHIN THE ACCESS EASEMENT, DISTRIBUTION EASEMENT AND UTILITY EASEMENT. THE FACILITY IS AND SHALL REMAIN PERSONAL PROPERTY OF THE LESSEE, NOTWITHSTANDING ANY PRESENT OR FUTURE COMMON OWNERSHIP OF THE FACILITY AND THE PREMISES, AND IRRESPECTIVE OF WHETHER ANY OF THE FACILITY IS DEEMED TO BE A FIXTURE OR OTHERWISE PART OF THE LESSOR PROPERTY OR ANY IMPROVEMENTS ON THE LESSOR PROPERTY, AND LESSOR ACKNOWLEDGES THAT THE FACILITY IS AND SHALL REMAIN PERSONAL PROPERTY OF LESSEE IRRESPECTIVE OF THE MANNER OF ITS ATTACHMENT OR CONNECTION TO THE LESSOR PROPERTY. LESSOR ACKNOWLEDGES THAT LESSEE'S LENDERS MAY REQUEST A FIRST PRIORITY SECURITY INTEREST IN THE FACILITY AS COLLATERAL FOR FINANCING OF THE FACILITY, AND LESSOR CONSENTS TO THE GRANT BY LESSEE OF SUCH A SECURITY INTEREST, AND THE FILING OF INSTRUMENTS NECESSARY TO PERFECT SUCH A SECURITY INTEREST UNDER THE UNIFORM COMMERCIAL CODE IN THE FACILITY AS PERSONAL PROPERTY OF THE LESSEE. LESSOR AGREES THAT ALL ENVIRONMENTAL ATTRIBUTES REMAIN THE PROPERTY OF LESSEE IRRESPECTIVE OF WHETHER LESSOR CONSUMES OR USES ANY OF THE ELECTRICITY GENERATED BY THE FACILITY, AND LESSOR HAS NO TITLE OR RIGHT TO ANY SUCH ENVIRONMENTAL ATTRIBUTES RELATED TO, ARISING FROM OR ASSOCIATED WITH THE FACILITY OR ANY ELECTRICAL CAPACITY OR ENERGY CREATED BY THE FACILITY. ANY GRANT, REBATE, INCENTIVE PAYMENT, TAX CREDIT OR ANY OTHER CREDIT, VALUE, TAX OR OTHER BENEFIT ARISING FROM OR ASSOCIATED WITH THE INSTALLATION OR OWNERSHIP OF THE FACILITY OR THE PRODUCTION OF ENERGY AND CAPACITY BY THE FACILITY, INCLUDING, BUT NOT LIMITED TO, ANY PRODUCTION TAX CREDIT OR INVESTMENT TAX CREDIT PURSUANT TO 26 U.S.C. SECTIONS 45 AND 48 OR SIMILAR STATE TAX LAW PROVISIONS; AND THE REBATES AVAILABLE THROUGH UTILITY PROGRAMS SHALL INURE TO THE EXCLUSIVE BENEFIT OF LESSEE.

6. RIGHT TO ENCUMBER; ASSIGNMENT. LESSEE MAY AT ANY TIME MORTGAGE, PLEDGE OR ENCUMBER ALL OR ANY PART OF ITS INTEREST IN THE LEASE AND RIGHTS UNDER THE LEASE AND/OR ENTER INTO A COLLATERAL ASSIGNMENT OF ALL OR ANY PART OF ITS INTEREST IN THE LEASE OR RIGHTS UNDER THE LEASE TO ANY ENTITY WITHOUT THE CONSENT OF LESSOR. LESSEE MAY ASSIGN, SUBLEASE, TRANSFER OR CONVEY ITS INTERESTS IN THE LEASE TO AN AFFILIATE OR SUBSIDIARY OF LESSEE WHICH WILL OWN, LEASE OR OTHERWISE CONTROL THE FACILITY, OR AN ENTITY THROUGH WHICH SUCCEEDS TO ALL OR SUBSTANTIALLY ALL LESSEE'S ASSETS, WITHOUT LESSOR'S CONSENT. LESSEE MAY ALSO ASSIGN, SUBLEASE, TRANSFER OR CONVEY ITS INTERESTS IN THE LEASE TO A THIRD PARTY WITHOUT LESSOR'S CONSENT, SUBJECT TO THE CONDITIONS SET FORTH IN THE LEASE. LESSOR ACKNOWLEDGES THAT IT MAY NOT SELL,

TRANSFER, LEASE, ASSIGN, MORTGAGE, OR OTHERWISE ENCUMBER THE FACILITY OR LESSEE'S INTEREST IN THE LEASE AND RELATED EASEMENTS, AND ANY SALE OR CONVEYANCE OF THE LESSOR PROPERTY OR LESSOR IMPROVEMENTS SHALL BE SUBJECT TO THE LEASEHOLD AND EASEMENT INTERESTS OF LESSEE IN THE LEASE.

7. CONTINUING NATURE OF OBLIGATIONS. THE BURDENS OF THE EASEMENTS AND ALL OTHER RIGHTS GRANTED TO LESSEE IN THE LEASE RUN WITH AND AGAINST THE LEASE PREMISES AND THE LESSOR PROPERTY AND ARE A CHARGE AND BURDEN ON THE LEASE PREMISES AND THE LESSOR PROPERTY AND ARE BINDING UPON AND AGAINST LESSOR AND ITS SUCCESSORS, ASSIGNS, PERMITTEES, LICENSEES, LESSEES, EMPLOYEES AND AGENTS. THE LEASE PREMISES, INCLUDING THE EASEMENTS AND ALL OTHER RIGHTS GRANTED TO LESSEE IN THE LEASE, INURE TO THE BENEFIT OF LESSEE AND ITS SUCCESSORS, ASSIGNS, PERMITTEES, LICENSEES AND LESSEES. ANY SALE OR CONVEYANCE OF THE LESSOR PROPERTY OR LESSOR IMPROVEMENTS IS SUBJECT TO THE LEASEHOLD AND EASEMENT INTERESTS OF LESSEE IN THE LEASE.

8. LANDOWNER ACTIVITIES. LESSOR USES THE LESSOR PROPERTY FOR AGRICULTURAL PURPOSES. LESSEE RESERVES THE RIGHT TO RELOCATE OR RECONFIGURE THE FACILITY UPON THE PREMISES DURING THE TERM OF THIS LEASE. LESSEE AGREES TO COOPERATE WITH LESSOR TO LOCATE THE FACILITY ON THE PREMISES IN A MANNER THAT MINIMIZES INTERFERENCE WITH AGRICULTURAL OR BUSINESS OPERATIONS OF LESSOR OR LESSOR'S TENANTS, TO THE EXTENT CONSISTENT WITH LESSEE'S PLANNED USE OF THE PREMISES.

9. PURPOSE OF THIS MEMORANDUM. THIS MEMORANDUM HAS BEEN EXECUTED, DELIVERED AND RECORDED FOR THE PURPOSE OF GIVING NOTICE OF THE LEASE, EASEMENTS, AND OTHER RIGHTS IN ACCORDANCE WITH THE TERMS, COVENANTS AND CONDITIONS OF THE LEASE. THE TERMS AND CONDITIONS OF THE LEASE ARE INCORPORATED BY REFERENCE INTO THIS MEMORANDUM AS IF SET FORTH FULLY HEREIN AT LENGTH. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS AND PROVISIONS OF THE LEASE AND THIS MEMORANDUM, THE LEASE SHALL CONTROL.

[Signature pages follow]

**IN WITNESS WHEREOF**, each of the parties hereto has executed and delivered this Memorandum as of the day and year first above written.

**LESSEE: US SOLAR DEVELOPMENT LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name:  
Title: Authorized Signatory

STATE OF MINNESOTA

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 2026 by \_\_\_\_\_, the Authorized Signatory of US Solar Development LLC, a Delaware limited liability company, on behalf of the company.

\_\_\_\_\_  
Name Printed:

(SEAL)

Lessor: Carlton County, a Minnesota Municipal Corporation

By: \_\_\_\_\_

Name: Thomas R Proulx

Its: County Board Chairperson

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2026 by \_\_\_\_\_, the County Board Chairperson of Carlton County, a Minnesota Municipal Corporation, on behalf of the corporation.

\_\_\_\_\_  
Name Printed:

(SEAL)

Approved as to Form and Consent, Carlton County Attorney

By: \_\_\_\_\_

Name: Jeffrey Boucher

Approved as to Form and Consent  
Carlton County Attorney

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2026 by \_\_\_\_\_, the Carlton County Attorney of Carlton County, a Minnesota Municipal Corporation, on behalf of the corporation.

\_\_\_\_\_  
Name Printed:

(SEAL)

THIS INSTRUMENT DRAFTED BY:

Bruce A. Bedwell. Esq.  
United States Solar Corporation  
323 Washington Ave N., Suite 350  
Minneapolis, MN 55401  
612.260.2230

[Signature Page]

EXHIBIT A TO  
MEMORANDUM OF LEASE AND SOLAR EASEMENT

Lessor Property, Premises, Access Easement, Distribution Easement, Utility Easement  
and Laydown Area

1. Lessor Property: One tract in Pine County, Minnesota described as follows:

Property ID: 310001000  
Deeded Acreage: 129.49

Legal Description: Northeast Quarter of Northeast Quarter of Southeast Quarter (NE $\frac{1}{4}$  of NE $\frac{1}{4}$  of SE  $\frac{1}{4}$ ), Lot One (1), East Six Hundred Sixty (660) feet of Lot Two (2), East Half of Southwest Quarter of Northeast Quarter (E  $\frac{1}{2}$  of SW  $\frac{1}{4}$  of NE $\frac{1}{4}$ ), South Quarter of Northeast Quarter (SE $\frac{1}{4}$  of NE $\frac{1}{4}$ ), of Section One (1), Township Forty-five (45), Range Twenty (20), Pine County, Minn.

Lessor gives Lessee permission to input the full legal description for the Lessor Property after the Effective Date.

2. Premises: Up to 40 acres of the one tract comprising the Lessor Property as described above. Approximate depiction of the Premises (orange) is shown below. Precise legal description of the Premises to be added following Effective Date pursuant to Section 2.4 of the Agreement.

3. Access Easement: Approximate depiction of the Access Easement (green) is shown below. Precise legal description of the Access Easement to be added following Effective Date pursuant to Section 2.4 of the Agreement.

4. Distribution Easement: Approximate depiction of the Distribution Easement (red) is shown below. Precise legal description of the Distribution Easement to be added following Effective Date pursuant to Section 2.4 of the Agreement.

5. Utility Easement: Approximate depiction of the Utility Easement (blue) is shown below. Precise legal description of the Utility Easement to be added following Effective Date pursuant to Section 2.4 of the Agreement.

6. Laydown Area. N/A.

EXHIBIT A CONT.



EXHIBIT B TO  
MEMORANDUM OF LEASE AND SOLAR EASEMENT

Description of Solar Premises

1. Solar Premises.

Same as Premises as described above in Exhibit A.

## Exhibit H

### Additional Documents to be Executed

The following is a list of documents that are typically required to be signed by Lessor after the Effective Date. The following list is for informational purposes only and should not be considered an exhaustive list of the documents that Lessor may be required to sign pursuant to Section 11.5 of the Agreement.

**1. Land Use Permit Application**

- Pursuant to Section 3.11, Lessee will be required to obtain certain permits with respect to the Facility. While Lessee will be responsible for obtaining these permits, most jurisdictions require Lessor to sign the permit application.

**2. Utility Easement**

- Pursuant to Section 3.8, the Utility will require a separate Utility Easement. Lessor will be required to sign the grant of easement.

**3. Amendment to Lease**

- Pursuant to Section 2.4, the Lease Premises and certain easements will be adjusted based on final engineering and design work. Lessor will be required to sign an amendment to the Agreement to memorialize these adjustments.

**4. Amendment to Memorandum of Lease**

- Pursuant to Section 2.4, Lessor will be required to sign an amendment to the Memorandum of Lease reflecting the amendments to the Agreement.

**5. Collateral Assignment of Lease Agreement and Landlord Waiver Agreement**

- Pursuant to Section 9.1, Lessee will obtain financing for the Facility and will be pledged to our Lenders as collateral to secure the financing. As part of this pledge, our Lenders will require Lessor to consent to this pledge and confirm certain basic terms of the Agreement.

**6. Landowner Estoppel**

- Pursuant to Section 9.1, Lessee will obtain financing for the Facility. As part of this financing, our Lenders will require Lessor to confirm certain basic terms of the Agreement.
- Estoppels are generally required at each stage of financing, so Lessor may be required to execute multiple estoppels.

**7. Owner's Affidavit**

- Lessee will be obtaining a title insurance policy to insure its interest under the Agreement. In order to obtain this policy, the title company will require Lessor to execute an affidavit confirming certain basic terms of the Agreement.
- Affidavits are generally required at each stage of financing, so Lessor may be required to execute multiple affidavits.

WHEREAS, Carlton County owns and operates an airport which includes all aeronautical navigation facilities, said airport being known as the Moose Lake Carlton County Airport; and

WHEREAS, it has become desirous for Carlton County to lease certain premises within the Moose Lake Carlton County Airport to US Solar Development LLC for the purpose of a solar farm.

NOW, THEREFORE, BE IT RESOLVED that the Carlton County Board of Commissioners does hereby authorize and approve entering into an Airport Property Lease Agreement with US Solar Development LLC.

Carlton County Board of Commissioners  
Item for Consideration (IFC)/ Agenda Item Cover Sheet

E-2  
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 01/26/26  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From/Presenter: JinYeene Neumann, County Engineer

Title of Item for Consideration: Final Payment - 009-661-033

**Type of Action Requested** (check ONE)

- Info only, no action requested at this time
- Award contract or bid
- Approve by board action (motion and second only-i.e. refill position)
- Approve by board resolution (formal language "WHEREAS & NOW, THEREFORE, BE IT RESOLVED")
- 

**Fiscal Impact** (check all that apply)

- Yes  No  NA Item included under current budget
- Yes  No  NA Budget adjustment required
- Yes  No  NA Reviewed by Finance Committee

**Staffing Impact** (check all that apply)

- Yes  No  NA Duties of a County employee(s) may be materially affected
- Yes  No  NA Applicable job description(s) may require revision
- Yes  No  NA Item may change the department's authorized staffing level
- Yes  No  NA Reviewed by Human Resources

**Other**

- Yes  No  NA Reviewed by other Committee, Board or Commission
- If yes, committee name & recommendation:

**Summary**

Final Payment for Project 009-661-033

**Supporting Attachments**

- Page 1 - Final Contractor Payment
- Resolution

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO:

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

Carlton County Highway  
 Department  
 1630 County Road 61 Carlton, MN  
 55718

Contract Number: 661033  
 Final Pay Request Number: 4

Project Number SAP 009-661-033	Project Description CSAH 61Microsurfacing
-----------------------------------	--

Contractor: Asphalt Surface Technologies Corp. P.O. Box 1025 St. Cloud, MN 56302	Vendor Number: N/A  Up To Date: 01/06/2026
--	--

Contract Amount		Funds Encumbered	
Original Contract	\$2,325,731.89	Original	\$2,325,731.89
Contract Changes	\$0.00	Additional	N/A
Revised Contract	\$2,325,731.89	Total	\$2,325,731.89

Work Certified To Date	
Base Bid Items	\$2,650,311.57
Contract Changes	\$0.00
Material On Hand	\$0.00
Total	\$2,650,311.57

Project	Work Certified This Request	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Request	Total Amount Paid To Date
SAP 009-661-033	\$8,999.50	\$2,650,311.57	(\$26,413.12)	\$2,614,898.95	\$35,412.62	\$2,650,311.57

Work Certified This Request	Work Certified To Date	Less Amount Retained	Less Previous Payments	Amount Paid This Request	Total Amount Paid To Date
\$8,999.50	\$2,650,311.57	\$0.00	\$2,614,898.95	\$35,412.62	\$2,650,311.57
Percent Retained: \$0.00%			Percent Complete: 113.96%		
<b>Amount Paid this Final Pay Request: \$35,412.62</b>					

I hereby certify that a Final Examination has been made of the noted Contract, that the Contract has been completed, that the entire amount of Work Shown in this Final Voucher has been performed and the Total Value of the Work Performed in accordance with, and pursuant to, the terms of the Contract is as shown in this Final Voucher.

Approved By   
 County/City/Project Engineer  
 Date 1/6/2026

Approved By Asphalt Surface Technologies Corp.  
  
 Contractor  
 Date 01/07/2026

WHEREAS, the contract with Asphalt Surface Technologies, Corp for SAP 009-661-033, for micro-mill and micro-surfacing overlay on CSAH 61 beginning at the South County Line to Douglas Road, has in all things been completed and the County Board has been fully advised in the Premises;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the Carlton County Board of Commissioners does hereby accept said completed project for and on behalf of the County of Carlton; and
2. That the Carlton County Board of Commissioners does hereby authorize the County Engineer to make final payment in the amount of thirty-five thousand, four hundred twelve dollars and sixty-two cents (\$35,412.62) to Asphalt Surface Technologies, Corp of St. Cloud.

Carlton County Board of Commissioners  
Item for Consideration (IFC)/ Agenda Item Cover Sheet

A-1  
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 01.26.2026  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From/Presenter: Kevin DeVriendt

Title of Item for Consideration: **Contract for CHIPS, TPR, LTFC, TL&PC Attorney Appointment**

**Type of Action Requested** (check ONE)

- Info only, no action requested at this time
- Award contract or bid
- Approve by board action (motion and second only-i.e. refill position)
- Approve by board resolution (formal language "WHEREAS & NOW, THEREFORE , BE IT RESOLVED)
- \_\_\_\_\_

**Fiscal Impact** (check all that apply)

- Yes  No  NA Item included under current budget
- Yes  No  NA Budget adjustment required
- Yes  No  NA Reviewed by Finance Committee

**Staffing Impact** (check all that apply)

- Yes  No  NA Duties of a County employee(s) may be materially affected
- Yes  No  NA Applicable job description(s) may require revision
- Yes  No  NA Item may change the department's authorized staffing level
- Yes  No  NA Reviewed by Human Resources

**Other**

- Yes  No  NA Reviewed by other Committee, Board or Commission
- If yes, committee name & recommendation:

**Summary**

\$42,996/year. The new contract reflects an increase from \$39,000 to \$42,996. The Court has appointed the services of Adrienne Pearson to represent parents in CHIPS, TPR, LTFC, TL&PC matters commencing March 1, 2026 and terminating February 28, 2027. The Agreement for Professional Services is attached. We kindly request the Board to approve the continuation of Ms. Pearson's contract.

**Supporting Attachments**

- \_\_\_\_\_
- \_\_\_\_\_

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO: \_\_\_\_\_

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

## **AGREEMENT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT is made and entered into between the County of Carlton, a body corporate and politic existing under the Laws of the State of Minnesota, hereinafter referred to as "County," and ADRIENNE PEARSON, Attorney at Law, 4916 Grand Avenue, PO Box 16873, Duluth, MN, 55816, hereinafter referred to as "Contractor."

### **WITNESSETH:**

WHEREAS, the Contractor has been appointed by the Carlton County District Court to represent parents in Children in Need of Protection or Services (CHIPS), Termination of Parental Rights (TPR), Long-Term Foster Care placement matters (LTFC), and Transfer of Legal and Physical Custody matters (TL&PC) as per Minn. Stat. Chapter 260C; and

WHEREAS, the parties are desirous of entering into a contract whereby the Contractor would be paid an annual amount rather than an hourly rate.

NOW THEREFORE, for good and valuable consideration, the parties agree as follows:

#### **1. TERM OF SERVICE**

The Contractor agrees to perform services, described herein during the period commencing March 1, 2026, and terminating February 28, 2027. This agreement may be renewed upon agreement of the County and Contractor provided that Contractor has satisfactorily performed the services herein described. The payment for services may be adjusted upon the agreement of the County and Contractor.

#### **2. SERVICES TO BE PROVIDED**

Contractor shall provide representation of CHIPS, LTFC, TPR, TL&PC proceedings pursuant to Minn. Stat. Chapter 260C. Contractor shall perform all services that an attorney would be expected to perform if privately retained, excluding appeals.

Contractor will be appointed one-third of the parent representation of CHIPS, LTFC, TPR, TL&PC matters in Carlton County.

**3. PERSONNEL**

It is understood and agreed that Contractor will provide the services purchased hereunder unless otherwise approved by the Court. Contractor is responsible for all clerical or other support services and all related expenses required to carry out the services to be provided except as provided herein.

**4. RESPONSIBILITIES OF THE COUNTY**

The only responsibility of the County is for payment pursuant to the terms of this Contract. Neither the County, nor any County officials or employees, are responsible for supervision of Contractor and accept no liability for acts or omissions of Contractor, nor is the County, or any County Officials or employees, the client of Contractor.

**5. COMPENSATION**

The County will pay Contractor an annual amount of \$42,996.00 for services. The only expense that shall be paid in addition to the flat rate is mileage for any required travel at the federal CONUS rate, subpoenas, service of subpoenas, witness fees and expert witness fees. (Expert witness fees must be pre-approved by the Court).

**6. PAYMENT**

The Contractor shall submit an invoice by the last day of the month via email to [TreasurersOffice@carltoncountymn.gov](mailto:TreasurersOffice@carltoncountymn.gov) with an invoice.

The County shall pay Contractor the sum of \$3,583 by the 15th day of each month for service rendered for the prior month, commencing April 2026.

**7. RECORDS AUDITING AND RETENTION**

Contractor's bonds, records, documents, papers, accounting procedures and practices, and other evidence relevant to this Agreement are subject to the examination, duplication, transcription, and audit by the County and either the Legislative or State Auditor, pursuant to Minn. Stat. § 16C.05, Subd. 5. Such evidence is also subject to review by the Comptroller General of the United States, or a duly authorized representative, if federal funds are used for any work under this Agreement. Contractor agrees to maintain such evidence for a period of six (6) years from the date of services or payment were last provided or made or longer if any audit in progress requires a longer retention period.

**8. INDEPENDENT CONTRACTOR**

It is specifically understood that Contractor and its employees and consultants are and shall remain independent contractors with respect to any and all work performed under this Agreement. Nothing contained herein is intended or should be construed in any manner as creating or establishing the relationship of agents, partners, or joint ventures or associates between Contractor's associates or staff and employees of the County, for any purpose or in any manner whatsoever. Contractor acknowledges and agrees that Contractor and its employees are not entitled to receive any of the benefits received by County employees and is not eligible for workers' compensation or unemployment benefits under the County. Contractor also acknowledges and agrees that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due Contractor and that it is Contractor's sole obligation to employ with the applicable provisions of all Federal and State tax laws. The Contractor shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide services identified herein.

**9. SUBCONTRACTING AND ASSIGNMENT**

The Contractor shall neither enter into subcontracts for performance of any of the services contemplated under this Agreement, nor assign this Agreement without the prior written approval of the County, and subject to such conditions and provisions as the County may deem necessary. The Contractor shall be responsible for the performance of all subcontractors. If Contractor has any concerns regarding acceptance of an appointment on any case, Contractor shall consult with the appointing Judge.

**10. NON-DISCLOSURE OF INFORMATION OR DATA**

Pursuant to Minnesota Statutes chapter 13 (Minnesota Government Practices Act, the Contractor agrees to maintain and protect data on individuals received, or to which the Contractor has access, according to the statutory provisions applicable to the data. No private, public, or confidential data developed, maintained or reviewed by the Contractor under this Contract may be released to the public by the Contractor or its employees or representatives. It is further understood that the Contractor shall not, unless otherwise authorized by the County, disclose any information to the media or other third parties relating to the specific details of any documents discussions, or meetings which may arise during the performance of services under this Contract. All requests for data or information from third parties shall be directed to the County for response. The Contractor is hereby notified that the requirements of Minn. Stat. §13.05, subd. 11 may apply to this Contract. The Contractor shall administer and protect any and all government data according to the provisions of the Minnesota Government Data Practices Act, codified at Minnesota.

**11. COMPLIANCE WITH NONDISCRIMINATION LAWS**

Contractor agrees to comply with all federal, state, and local laws, ordinances, rules and regulations pertaining to unlawful discrimination on account of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability or age.

**12. INDEMNIFICATION**

To the fullest extent permitted by law the Contractor shall indemnify and hold harmless the County and its officers, employees, and agents from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of the work/services under this Contract, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Contract. The Contractor agrees, that in order to protect itself and the County under the indemnity provisions set forth herein, it shall at all times during the term of this Contract keep in force policies of insurances indicated in paragraph entitled "INSURANCE". This provision is not intended to create any cause of action in favor of any third party against the Contractor or the County or to enlarge in any way the Contractor's liability, but it is intended solely to provide for indemnification of the County from liability for damages or injuries to third persons or property arising from the Contractor's or the Contractor's agents' performance hereunder.

**13. INSURANCE**

The Contractor shall maintain at its sole expense a valid policy of insurance covering professional liability, arising from the acts or omissions of the Contractor, its agent and employees in the amount of not less than \$500,000 per claim and \$500,000 annual aggregate.

That the Contractor shall carry Workers' Compensation if required by statute. (Contractor currently has no employees and is not required to carry Workers' Compensation).

**14. MODIFICATIONS/ADDENDA**

Any alterations, variations, modifications, or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing and signed by the authorized representatives of the County and Contractor. This Agreement shall supersede all other oral and written agreements prior to execution of this document.

**15. TERMINATION**

- A. If the Contractor fails to perform any of the provisions of this Agreement or so fails to administer the work as to endanger the performance of the Agreement, this shall constitute a default. Unless the Contractor's default is excused by the County, the County may upon written notice immediately cancel this Agreement in its entirety.
- B. The County's failure to insist upon strict performance of any provision or to exercise any right under this Agreement shall not be deemed a relinquishment or waiver of the same, unless consented to in writing. Such consent shall not constitute a general waiver or relinquishment throughout the entire term of the Agreement.
- C. Contractor shall be paid for actual work done to the date of the termination.
- D. Either party may terminate this Agreement by giving the other party 60-days written notice of cancellation.

**16. NOTICES/COMMUNICATIONS**

All notices and demands pursuant to this Agreement shall be directed in writing to:

Contractor  
Adrienne Pearson  
Attorney at Law  
4916 Grand Avenue,  
PO Box 16873  
Duluth, MN 55816

County  
Carlton County Auditor  
Carlton County Courthouse  
300 Walnut Ave.  
Carlton, MN 55718

**17. OTHER CONDITIONS**

- A. Compliance with Laws/Standards  
Contractor shall abide by all Federal, State or local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this contract or the facilities, programs and staff for which Contractor is responsible.
- B. Licenses  
Contractor shall procure, at its own expense, all licenses, permits, or other rights required by the provision of services contemplated by the contract. Contractor shall inform the County of Any changes in the above within five (5) days of occurrence.
- C. Minnesota Law to Govern  
This contract shall be governed by and construed in accordance with the substantive and procedural laws of the State of Minnesota, without giving effect to the principles of conflict of laws. All proceedings related to this Contract shall be venued in the State of Minnesota.

**18. DEBARMENT**

By entering into this Contract, the Contractor certifies that the firm, association, corporation, or any person in a controlling capacity is not currently under suspension, debarment, voluntary exclusion or determination of ineligibility by any government agency; does not have a proposed debarment pending; and has not been indicted, convicted, or has a civil judgment rendered against any person, firm,

association, or corporation by a court of competent jurisdiction on any manner involving fraud, or official misconduct within the past three years.

**19. WAIVER**

Any waiver by either party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision.

**20. SEVERABILITY**

The provisions of this Contract shall be deemed severable. If any part of this Contract is rendered void, invalid, or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Contract unless the part or parts which are void, invalid, or otherwise unenforceable shall substantially impair the value of the entire Contract with respect to either party.

**21. FINAL AGREEMENT**

Any waiver by either party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision.

**Contractor**

**County of Carlton**

*Adrienne M.A. Pearson*

Adrienne Pearson

\_\_\_\_\_  
Chairperson of the Board  
Carlton County

Dated: January 20, 2026

Dated: \_\_\_\_\_

\_\_\_\_\_  
Kevin DeVriendt  
Carlton County Auditor

\_\_\_\_\_  
Jeffrey Boucher  
Carlton County Attorney

Carlton County Board of Commissioners  
Item for Consideration (IFC)/ Agenda Item Cover Sheet

H-2  
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 1/26/26  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From/Presenter: Ryan Pervenanze

Title of Item for Consideration: EDA Loan Approval Edward Jones

Type of Action Requested (check ONE)

- Info only, no action requested at this time
- Award contract or bid
- Approve by board action (motion and second only-i.e. refill position)
- Approve by board resolution (formal language "WHEREAS & NOW, THEREFORE , BE IT RESOLVED)
- 

Fiscal Impact (check all that apply)

- Yes  No  NA Item included under current budget
- Yes  No  NA Budget adjustment required
- Yes  No  NA Reviewed by Finance Committee

Staffing Impact (check all that apply)

- Yes  No  NA Duties of a County employee(s) may be materially affected
- Yes  No  NA Applicable job description(s) may require revision
- Yes  No  NA Item may change the department's authorized staffing level
- Yes  No  NA Reviewed by Human Resources

Other

- Yes  No  NA Reviewed by other Committee, Board or Commission
- If yes, committee name & recommendation:

In September 2025, the EDA approved making a commercial loan to Edward Jones.

Summary

Edward Jones requested a commercial loan of \$800,000. At its September 2025 meeting, the EDA Board approved forwarding a recommendation for making a \$250,000 loan to Edward Jones at 4% interest. The loan will generate \$10,000 in additional revenue for the ED Department and facilitate expansion of Carlton County's commercial tax base. Staff are bringing motion to County Board in January to approve EDA Board recommendation to assist applicant in meeting construction timelines.

Supporting Attachments

- Loan Agreement, payment schedule, tax information, meeting minutes.
- 

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO: \_\_\_\_\_

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

**EDWARD JONES FUNDING AGREEMENT  
CARLTON COUNTY AND LFD HOLDINGS LLC dba EDWARD JONES**

THIS AGREEMENT, by and between CARLTON COUNTY, a public corporation and political subdivision of the State of Minnesota, by and through the Economic Development Department, 301 Walnut Avenue, Carlton, MN 55718, (hereinafter referred to as the "County") and LFD HOLDINGS LLC dba EDWARD JONES, a limited liability company registered in the State of Minnesota, (hereinafter referred to as "EDWARD JONES") for the specified below.

RECITALS:

WHEREAS, the County Board approved on \_\_\_\_\_, a funding agreement between County and EDWARD JONES for the purpose of the County providing financial assistance to support commercial development; and

WHEREAS, both parties desire to promote and support commercial construction and development within the County and Cloquet Community; and

WHEREAS, County is willing to provide such Funds to EDWARD JONES, and EDWARD JONES is willing to accept such Funds, administer fund use, and pay back the Funds, all in accordance with the terms and conditions contained herein.

NOW THEREFORE, in consideration of the mutual understandings and agreements set forth, County and EDWARD JONES agree to the following funding agreement terms:

1. Funding to be Provided and Effective Dates of Funding.

Upon execution of this Agreement by the parties, EDWARD JONES agrees to accept, and the County agrees to provide, the Funds, to be advanced in a single disbursement of \$250,000.00 USD, which is to be paid back to the County in accordance with Section 2 of this Agreement. The Funds are to be used by EDWARD JONES solely for the purpose of providing funding for development of a Class A Edward Jones office building at LOT 9, BLOCK 5 in the CLOQUET BUSINESS PARK. Unless the parties expressly agree otherwise in writing, no further funds or moneys will be made available by the County for EDWARD JONES.

2. EDWARD JONES Responsibilities.

EDWARD JONES covenants and agrees with the County that, upon receipt of the Funds and without additional cost to the County, it will perform the following:

- (a) Administration. EDWARD JONES will administer the Funds in accordance with this Agreement and for the sole purpose of providing funding for development of a Class A Edward Jones office building at LOT 9, BLOCK 5 in the CLOQUET BUSINESS PARK. EDWARD JONES will cause all Funds utilized under this Agreement to be paid back to the County upon securing additional Local, State, or Federal. All further costs associated with the with the development of a Class A Edward Jones office building at LOT 9, BLOCK 5 in the CLOQUET BUSINESS PARK will be the responsibility of EDWARD JONES.
- (b) Additional Funding Sources: EDWARD JONES will in good faith continue to coordinate with the County to secure additional funds for this project. The EDWARD JONES will provide the County quarterly updates outlining their progress.
- (c) Repayment of Used Funds. EDWARD JONES agrees to repay to the County all Funds that are utilized under this Agreement.
- (d) Repayment of Unused Funds. Any portion of the Funds that are not utilized by EDWARD JONES for development of a Class A Edward Jones office building at LOT 9, BLOCK 5 in the CLOQUET BUSINESS PARK on or before December 31<sup>st</sup> 2026, if any, shall be returned to the County on or before January 31<sup>st</sup> 2027.
3. Default. If EDWARD JONES fails to pay when due any amount owed to the County under this Agreement or otherwise fails to perform any other obligation to be performed under this Agreement (“Event of Default”), the County, at its option, shall have the right to bring appropriate action to enforce such performance and the correction of such Event of Default or exercise any and all other rights or remedies it may have under this Agreement.
4. Cooperate Activity: Liability. Each party shall be liable for its own acts to the extent provided by law and hereby agrees to indemnify, hold harmless and defend the other, its officials and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorney’s fees, arising out of or by reason of any act or omission of the party, its agents, servants or employees, in the execution, performance, or failure to adequately perform its obligations pursuant to this Agreement. Liability shall be also governed by the provisions of Minnesota Statutes, Chapter 466 and other applicable laws. It is further understood that Minnesota Statutes, section 471.59, subd. 1a applies to this Agreement. To the full extent permitted by law, actions by the parties pursuant to this Agreement are intended to be and shall be construed as a “cooperative activity” and it is the intent of the parties that they shall be deemed a “single governmental unit” for the purposes of liability, all as set forth in Minnesota Statutes, section 471.59, subd. 1a(a), provided further that for purposes of that statute, each party to this Agreement expressly declines responsibility for the acts or omissions of the other party.

5. Notices. Any notices given hereunder shall be in writing and shall be deemed to have been given when delivered personally or three (3) days after deposited in the United States mail, registered, postage prepaid, addressed as follows:

To the County: Carlton County Economic Development Department  
301 Walnut Ave  
Carlton, MN 55718

To EDWARD JONES: 807 CLOQUET AVE STE 5  
Cloquet, MN 55720

or addressed to any such party at such other address as such party shall hereafter furnish by notice to the other party. Either party may change its address for giving of notices by giving the other party at least ten (10) days' notice in the manner provided above.

6. Headings. The headings used in this Agreement are for convenience only and do not define, limit or construe the contents of this Agreement.
7. Compliance with Laws. The Parties shall abide by all Federal, State and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Agreement.
8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, without giving effect to any choice or conflict of law provision or rule.
9. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be an original and all of which shall constitute the same agreement.
10. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and shall supersede all prior understandings and agreements, both oral and written. This Agreement may be amended in a writing signed by the parties hereto.
11. Data Privacy. EDWARD JONES agrees to comply in all respects with the Minnesota Government Data Practices Act. Minn. Stat. Chapter 13 and further agrees to comply with any requests of the County, which are necessitated by the County's obligation under said Act.

**[Signature Page follows]**

**Signature Page to Funding Agreement**

IN WITNESS WHEREOF, the parties have executed this Agreement.

**Carlton County**

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Signature \_\_\_\_\_

Date: \_\_\_\_\_

**EDWARD JONES**

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Signature \_\_\_\_\_

Date: \_\_\_\_\_

Carlton County Board of Commissioners  
Item for Consideration (IFC)/ Agenda Item Cover Sheet

H-3  
Agenda Item #

To: Chairperson, Carlton County Board of Commissioners Meeting Date: 1/26/2026  
Via: Kevin DeVriendt, County Auditor/Treasurer  
From/Presenter: Ryan Pervenanze

Title of Item for Consideration: **Renewing Professional Services Agreement with North Country Strategies, LLC**  
**Type of Action Requested** (check ONE)

- Info only, no action requested at this time
- Award contract or bid
- Approve by board action (motion and second only-i.e. refill position)
- Approve by board resolution (formal language "WHEREAS & NOW, THEREFORE , BE IT RESOLVED)
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**Fiscal Impact** (check all that apply)

- Yes  No  NA Item included under current budget
- Yes  No  NA Budget adjustment required
- Yes  No  NA Reviewed by Finance Committee

**Staffing Impact** (check all that apply)

- Yes  No  NA Duties of a County employee(s) may be materially affected
- Yes  No  NA Applicable job description(s) may require revision
- Yes  No  NA Item may change the department's authorized staffing level
- Yes  No  NA Reviewed by Human Resources

**Other**

- Yes  No  NA Reviewed by other Committee, Board or Commission
- If yes, committee name & recommendation:

**Summary**

On 12/17, Dave Lislegard of North Country Strategies submitted a letter of interest to renew their contract providing Carlton County with government relations professional services. The contract will be in effect from 02/01/2026 through 01/31/2027 and will be on file at the Carlton County Economic Development Department.

*\$3,000/month 2025 to \$5,000/month 2026*

**Supporting Attachments**

- Letter of Interest
- 

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

TO: \_\_\_\_\_

Action on Motion: \_\_\_\_\_ AYE \_\_\_\_\_ NO \_\_\_\_\_ ABSTAIN

Motion: Carried  Defeated

**MEMORANDUM**  
NORTH  
COUNTRY  
STRATEGIES, LLC.  
720 Arrowhead St  
Aurora, MN 55705  
T +1 218-343-7965

**To** Ryan Pervenance, Economic  
Development Director – Carlton  
County, Minnesota

**FROM** Dave Lislegard, North Country **TELEPHONE** 218-343-7965  
Strategies, LLC

**DATE** December 17, 2025

***SENT VIA E-MAIL***

**SUBJECT** Lobbying Proposal – Letter of Interest

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Thank you for the opportunity to speak with you and to submit a proposal for lobbying services for Carlton County. I believe that my experience in helping communities secure capital project funding, breaking through bureaucratic logjams, and establishing new revenue streams brings the creativity and spark that could assist Carlton County in this new and dynamic legislative environment in St. Paul.

### **Proposal**

North Country Strategies, LLC will work under the direction of the County Administrator and Director of Economic Development to advance Carlton County's interests in St. Paul and to secure funding for county related projects as directed. We will help develop the tactics and strategies for moving proposals forward at the legislature and advise on working with local legislators to present a compelling plan to public policy makers.

Over the years, I have established a proud record of serving communities in northeastern Minnesota as a local elected official, state legislator, and business and economic development staff person for a large regional construction company. I continue to have good relations with many legislators on both sides of the aisle.

In my advocacy work, I advance my clients' objectives through a hands-on approach at the legislature, developing a strategy, communicating our message, and engaging stakeholders to achieve our public sector goals.

On your behalf, I will research, draft, and prepare proposed legislation, and recommend authors in both bodies, and will see to proper bill introductions. I work closely with our bill authors to obtain hearings, contact committee members, and prepare bill authors for hearings and floor presentations. As part of our legislative work, I will also contact key members in the House and Senate for support and passage of legislation, assist with the preparation of handouts, contact all conference committee members, interact with agency staff and the Governor's office as needed if influencing the Executive Branch is warranted. I will also monitor bill introductions, committee and floor agendas and committee reports. Most importantly, I will help prepare local advocates from Carlton County to advocate at the Capitol.

I would like to put my extensive experience in St. Paul to work for Carlton County.

### **North Country Strategies, LLC**

***Dave Lislegard*** is a former Minnesota State Representative and former Mayor of Aurora, Minnesota. Dave has also worked in business and economic development for a large, regional construction firm for the past 20 years. In the Minnesota House of Representatives, Dave chaired the Property Tax Division and served as a member of the House Tax Committee, House Environment & Natural Resources Finance and Policy Committee, and Veterans Affairs Committee. Dave is a seasoned professional who is success focused and will be an aggressive advocate for Carlton County. Dave and his wife Lisa live in Aurora, Minnesota. During the Legislative Session, Dave works full time in St. Paul advancing his clients pursuits.

### **Compensation**

I try to make it simple. No expenses. No unnecessary charges. No surprises.

\$5,000.00 per month. 12-month contract. 60-day cancellation clause if I am not doing the job to your satisfaction.