

RESOLUTION NO. 1395

IN THE MATTER OF THE JOINT RESOLUTION OF THE
TOWN OF CANNON FALLS AND THE CITY OF CANNON
FALLS, GOODHUE COUNTY, MINNESOTA, AMENDING
JOINT RESOLUTION NO. 1299 AND DESIGNATING AREAS
AS IN NEED OF IMMEDIATE ANNEXATION

THIS JOINT RESOLUTION, made and entered into the day and year hereinafter noted by the Township of Cannon Falls, Goodhue County, Minnesota, (hereinafter referred to as "Township") and the City of Cannon Falls, Goodhue County, Minnesota (hereinafter referred to as the "City").

RECITALS:

A. In May 1998, the City and the Township approved Joint Resolution No. 1299, In the Matter of the Joint Resolution of the Town of Cannon Falls and the City of Cannon Falls, Goodhue County, Minnesota, Designating an Unincorporated Areas as in Need of Orderly Annexation and Conferring Jurisdiction Over Said Area to the Minnesota Municipal Board Pursuant to MSA 414.0325 ("Resolution 1299"), a copy of the Resolution 1299 is attached hereto Exhibit "A";

B. That the City and the Township have agreed to accelerate the annexation of Annexation Area 2 under Resolution 1299, legally described in Exhibit "B" attached to this Resolution, subject to the following conditions:

1. Tax rates for Annexation Area 2 would remain at township levels through 2003;
2. City water and sewer would be extended not later than 2006 as originally planned;
3. The Township would continue to maintain streets in Annexation Area 2 through 2002 and the City would compensate the Township for said maintenance in and amount equal to the taxes they would have received had Annexation Area 2 remained in the Township;
4. The Township would be exposed to no more than \$15,000 of costs over the equivalent tax amount provided under subparagraph 3 received by the Township for the year, in any one event of damage to the streets within Annexation Area 2 resulting from storm wash out, etc;
5. Annexation Area 2 shall be subject to payment for fire contract coverage by the Cannon Falls Rural Fire Association through 2002.

C. That the Township and the City believe that no consideration by the Municipal Boundary Adjustment Division of the Office of Strategic and Long-Range Planning is necessary for said annexation of Annexation Area 2 and both agree that Annexation Area 2 should be immediately annexed and become a part of the City subject to all the ordinances, controls and other obligations and benefits of property located within the City and should cease to be a part of the Township and should therefore be released from the jurisdiction thereof in accordance with the procedure established by Resolution 1299 as amended by this Resolution.

D. The Township and City desire to amend Resolution 1299 to provide for the immediate annexation of Annexation Area 2.

NOW, THEREFORE, BE IT RESOLVED BETWEEN THE TOWNSHIP AND CITY THAT RESOLUTION 1299 SHALL BE AMENDED TO READ AS FOLLOWS:

1. The City and Township recognize recent legislative changes dissolving the Municipal Board and transferring its responsibilities to the Office of Strategic and Long-Range Planning. In all respects, the use of the term Municipal Board and reference to Minn. Stat. Chapter 414 throughout Resolution 1299 and this Resolution shall be read to apply to the Municipal Boundary Adjustment Division of the Office of Strategic and Long-Range Planning as the successor to the Municipal Board's responsibilities in administering the provisions of state law regarding orderly annexation agreements and to subsequent amendments to state law.

2. Paragraph 3 of Resolution 1299 shall be amended to read as follows:

3. Schedule: It is the intent of the parties that the lands contained in the orderly annexation area may be annexed by the City on or before January 31 in the year set forth further herein, according to the procedures established by paragraphs (4) and (5) of this resolution:

<u>Area</u>	<u>Year</u>
No. 1	1998
No. 2	2001

3. Paragraph 4(a) of Resolution 1299 shall be amended to read as follows:

(b) It is the intent of the parties that the lands contained in Area No. 2 shall be annexed to the City as soon as possible. Therefore, the Municipal Board may immediately Order said annexation following receipt and review of this Joint Resolution. A legal description of the lands contained in Annexation Area No. 2 is contained in "Exhibit A" attached hereto and made a part hereof. Within 30 days of receipt of the Order for Annexation, the City shall adopt a resolution providing for an extension of water and sanitary sewer service to served Annexation Area No. 2, to be installed not later than December 31, 2006, unless unforeseen circumstances make it impossible to provide said services within the time provided.

4. Paragraph 5 of Resolution 1299 shall be deleted in its entirety.

5. Paragraph 7 of Resolution 1299 shall be amended to read as follows:

7. Property Tax Sharing with Township:

(a) Annexation Area No. 1. Following annexation of the lands included in Area No. 1 subject to this resolution, the CITY's tax rate shall be applied to property taxes and due and payable by such properties. The CITY shall share with the TOWNSHIP a decreasing portion of the property taxes received from such annexed parcels based on the following schedule:

Year 1998: 100%
Year 1999: 90%
Year 2000: 70%
Year 2001: 50%
Year 2002: 30%
Year 2003: 10%

The preceding percentage shares shall be applied to the TOWNSHIP'S portion of tax amounts due and payable from properties in the year prior to annexation.

(b) Annexation Area No. 2. Following annexation of the lands included in Area No. 2 subject to this Resolution, property taxes for properties located within Annexation Area No. 2 due and payable through the year 2003 shall be paid to the City at the Township's tax rate.

6. Paragraph 13 of Resolution 1299 shall be amended to read as follows:

13. Fire Protection.

(a) Annexation Area No. 1. The CITY shall consult with the TOWNSHIP and the Cannon Falls Rural Fire Association to negotiate satisfactory amendments to the fire protection contract that will reflect the reduced property values served by the Association following annexation and the impact of property tax sharing with the TOWNSHIP. The amended amount of said contract shall be based on a formula which reduces the current contract amount by a factor equal to the aggregate tax capacity value for all properties included in the Annexation Area No. 1, divided by the aggregate tax capacity value most recently ascribed to all properties served by the Rural Fire Association. Said reduction factor shall be multiplied by the property tax share factor retained by the CITY in the sharing formula listed in Section 7 of this resolution to obtain the final factor for contract amount adjustment. For clarification a sample calculation is shown in Exhibit B attached hereto.

(b) Annexation Area No. 2. The Township shall be responsible for payment of fire contract coverage for Annexation Area No. 2 by the Cannon Falls Rural Fire Association through December 31, 2002.

7. Paragraph 14 of Resolution 1299 shall be amended to read as follows:

14. Assessments. The City agrees that it will not levy assessments under the provisions of Minnesota Statutes Chapter 429 against properties annexed under the terms of this Agreement for costs incurred for expansion of the wastewater treatment plant and wells #4 and #5. The City reserves the right to utilize any means including Chapter 429 assessments, to collect costs of other utility services benefiting the annexation areas. Pursuant to the Cannon Falls City Code, lots within Annexation Area No. 2 may not be developed before City sewer and water are extended. Such lots may be developed provided the property owner(s) executes an Agreement with the City, approved by the City in form and substance, whereby the property owner(s):
1) acknowledges that City utilities shall be extended to the property not later than December 31, 2006; 2) agrees to be assessed for the utilities in an amount and rate similar to other properties assessed for the utilities; and 3) waives any claims to a

reduction in benefit of the improvement based on the residual value of any well or septic system constructed between the date of annexation of the property and the date of the extension of City utilities.

8. Resolution 1299 shall be amended by adding a new Paragraph 15 to read as follows:


15. Street Maintenance. Through December 31, 2002, the Township shall maintain all streets located within Annexation Area No. 2. For this service, the City shall annually compensate the Township in an amount equal to the taxes the Township would have received had the property within Annexation Area No. 2 remained in the Township. The City shall make said reimbursements on July 15 and December 15 of each year. However, the Township shall not be responsible for costs that exceed \$15,000 over the equivalent tax amount reimbursed by the City to the Township for the year in which any one event of damage to the streets within Annexation Area 2 resulting from storm wash out, etc are responsible for the excess cost.

9. This Resolution shall amend and supersede Resolution 1299 to the extent that any terms or provisions of Resolution 1299 are amended by or conflict with this Resolution.

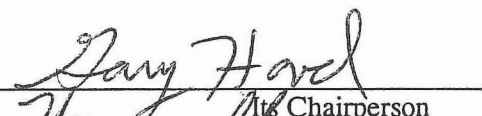
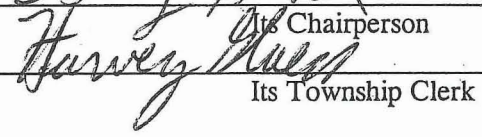
Adopted by the City Council
this 21st day of December, 2000.

CITY OF CANNON FALLS:

By: 
Leon Hanson, Mayor

By: 
Dallas Larson, City Administrator

TOWNSHIP OF CANNON FALLS

BY: 
Its Chairperson
AND 
Its Township Clerk

REC'D. BY
MMB FEB 06 2001

EXHIBIT "A"

Copy of Resolution 1299

RESOLUTION NO. 1299

TO THE MINNESOTA MUNICIPAL BOARD
165 Metro Square Building
St. Paul, Minnesota 55101

IN THE MATTER OF THE JOINT RESOLUTION
OF THE TOWN OF CANNON FALLS AND THE
CITY OF CANNON FALLS, GOODHUE COUNTY,
MINNESOTA, DESIGNATING AN UNINCORPORATED
AREAS AS IN NEED OF ORDERLY ANNEXATION
AND CONFERRING JURISDICTION OVER SAID
AREA TO THE MINNESOTA MUNICIPAL BOARD
PURSUANT TO MSA 414.0325

JOINT RESOLUTION FOR
ORDERLY ANNEXATION
AND IMMEDIATE ANNEXATION

THIS JOINT RESOLUTION, made and entered into the day and year hereinafter noted by the Township of Cannon Falls, Goodhue County, Minnesota, (hereinafter referred to as TOWNSHIP) and the city of Cannon Falls, Goodhue County, Minnesota, (hereinafter referred to as the CITY).

RECITALS

1. That the CITY is in need of suitable property for the continued expansion of its residential, commercial and industrial base, the majority of such suitable property located within the CITY having been utilized to the fullest extent possible.
2. That property owners in developed and developing areas adjacent to the CITY have need for municipal services, as evidenced by petitions and testimony at public information meetings and documented septic system failures.
3. That certain property abutting the CITY and immediately to the south thereof, located within the TOWNSHIP and as more fully described on Exhibit "A" attached hereto and made a part hereof, is urban or suburban in nature or is about to become so and thus is suitable for the residential, commercial and industrial expansion needs of the CITY.
4. That the CITY is capable of providing necessary services to this area within a reasonable time and the TOWNSHIP is not able to adequately protect the public health, safety or welfare of the area as it now exists and in the event anticipated residential, commercial and industrial development take place within the area.
5. That Minnesota Statutes provides a procedure whereby the CITY and TOWNSHIP may agree on a process of orderly annexation of a designated area of a TOWNSHIP.

6. That the TOWNSHIP and the CITY believe that no consideration by the Minnesota Municipal Board is necessary for said annexation and both agree that the areas described in Exhibit A hereto should be annexed and become a part of the CITY subject to all the ordinances, controls and other obligations and benefits of property located within the CITY and should cease to be a part of the TOWNSHIP and should therefore be released from the jurisdiction thereof in accordance with the procedure established by this joint resolution.

NOW, THEREFORE, BE IT RESOLVED BETWEEN THE TOWNSHIP AND CITY AS FOLLOWS:

1. The area described above is in need of orderly annexation and no alteration of its stated boundaries as set forth above is appropriate.
2. Orderly Annexation Area Described: The lands designated in "Exhibit A" appended hereto shall be subject to future annexation to the CITY pursuant to the terms and conditions of this resolution, and constitute the "orderly annexation area" otherwise described in this resolution.

The quantity of land contained in the annexation parcels described are as follows:

Area No. 1	336 acres
Area No. 2	41 acres

3. Schedule: It is the intent of the parties that the lands contained in the orderly annexation area may be annexed by the CITY on or before January 31 in the year set forth further herein, according to the procedures established by paragraphs (4) and (5) of this resolution:

<u>Area</u>	<u>Year</u>
No. 1	1998
No. 2	2003

4. Procedure:

- (a) It is the intent of the parties that the lands contained in Area No. 1 shall be annexed to the CITY as soon as possible. Therefore, the Minnesota Municipal Board may immediately order said annexation following receipt and review of this joint resolution. A legal description of the lands contained in the Area No. 1 is contained in "Exhibit A" attached hereto and made a part hereof.
- (b) The lands contained in Area No. 2 shall be annexed by the CITY by means of adoption of an ordinance. At the time the ordinance is passed and adopted by the CITY, the CITY shall also adopt a resolution providing for an extension of water and sanitary sewer service to serve the annexed area, to be installed in the annexed area not later than three years following the annexation, unless unforeseen circumstances make it impossible to provide said services within said time.

The ordinance shall be filed with the Minnesota Municipal Board, the TOWNSHIP, the Goodhue County Auditor, the Minnesota Secretary of State and is effective when approved by the Minnesota Municipal Board. No hearing before the Minnesota Municipal Board, pursuant to Minnesota Statutes 414.0325, Subd. 2, shall be required in order for the Municipal Board to approve the ordinance.

5. Accelerated Annexation: Notwithstanding the procedure set forth in paragraph (4), any lands contained in the orderly annexation area may be annexed by the CITY prior to the date set forth in paragraph (3) whenever:

- (a) A majority of the property owners in any enumerated area submit a petition for annexation or otherwise indicate their interest to the CITY or TOWN in being annexed and receiving sanitary sewer and water service. The CITY may consider annexation of said lands after first having the proposal reviewed by the City Planning and Zoning Commission and receiving a recommendation from that body.
- (b) A landowner abuts the CITY limits and said landowner files a petition for annexation. Any such petition for annexation shall proceed in the same manner as any other annexation petition elsewhere in the CITY.

Provided further, that upon the recommendation of the Goodhue County Health Department that the continued maintenance of private sewer systems in the orderly annexation area present a threat to public or private water supplies, the parties hereto may revise the annexation schedule otherwise set forth in paragraph (2).

6. The conditions of annexation of said area described above shall be that said property will cease to be a part of the TOWNSHIP upon annexation and will be included within the corporate limits of the CITY and would in all things become subject to the jurisdiction of the CITY and become a part thereof and shall be released from the jurisdiction of the TOWNSHIP and shall be no longer a part thereof.
7. Property Tax Sharing with Township: Following annexation of the lands included in Area No. 1 subject to this resolution, the CITY's tax rate shall be applied to property taxes and due and payable by such properties. The CITY shall share with the TOWNSHIP a decreasing portion of the property taxes received from such annexed parcels based on the following schedule:
- Year 1998: 100%
 - Year 1999: 90%
 - Year 2000: 70%
 - Year 2001: 50%
 - Year 2002: 30%
 - Year 2003: 10%

The preceding percentage shares shall be applied to the TOWNSHIP'S portion of tax amounts due and payable from properties in the year prior to annexation. This sharing provision shall not apply to properties included in annexation Area No. 2.

8. Traffic Control Signal Reimbursement: The TOWNSHIP has previously expended funds sharing the cost of installation of traffic control signals at the intersection of U.S. Highway 52 and Fourth Street, which signals are located in annexation area No. 1. The CITY hereby accepts partial financial responsibility for that expenditure by reimbursing the TOWNSHIP in the amount of \$35,200.
9. The CITY shall zone the area to be annexed pursuant to the conditions and requirements of its existing City Code.
10. Subdivision Regulations and Zoning Ordinance: Following adoption of this resolution, the CITY shall extend coverage to the orderly annexation area of the subdivision regulations and zoning ordinances of the CITY.
11. The CITY shall consult with the TOWNSHIP pursuant to the requirements of orderly annexation prior to the annexation of any TOWNSHIP property in the future.
12. This joint resolution requesting both orderly annexation and the immediate annexation of the area described above pursuant to the terms and conditions set forth herein shall be submitted by the City Administrator of the city of Cannon Falls to the Minnesota Municipal Board for said Board's 30-day review and comment pursuant to MSA 414.0325.
13. The CITY shall consult with the TOWNSHIP and the Cannon Falls Rural Fire Association to negotiate satisfactory amendments to the fire protection contract that will reflect the reduced property values served by the Association following annexation and the impact of property tax sharing with the township. The amended amount of said contract shall be based on a formula which reduces the current contract amount by a factor equal to the aggregate tax capacity value for all properties included in the Annexation Area No. 1, divided by the aggregate tax capacity value most recently ascribed to all properties served by the Rural Fire Association. Said reduction factor shall be multiplied by the property tax share factor retained by the city in the sharing formula listed in Section 7 of this resolution to obtain the final factor for contract amount adjustment. For clarification a sample calculation is shown in Exhibit B attached hereto.

The CITY shall consult with the TOWNSHIP and the Cannon Falls Rural Fire Association to negotiate a satisfactory amendment to the fire protection contract that will reflect the reduced property values served by the Association following annexation in the year 2003.

14. The CITY agrees that it will not levy assessments under the provisions of Minnesota statutes Chapter 429, against properties, annexed under the terms of this agreement for costs incurred for expansion of the wastewater treatment plant and wells #4 and #5. The CITY reserves the right to utilize any means including Chapter 429 assessments, to collect costs of other utility services benefiting the annexation areas.

REC'D. BY FEB 06 2001
MMB

THE ABOVE RESOLUTION IS HEREBY ADOPTED AND APPROVED BY THE TOWN BOARD OF SUPERVISORS OF THE TOWNSHIP OF CANNON FALLS, GOODHUE COUNTY, MINNESOTA ON THE 13 DAY OF May, 1998.

Laurence D. Johnson
Chairman of Town Board

ATTEST:

Paul Landon
Paul Landon, Clerk of Town Board

THE ABOVE RESOLUTION IS HEREBY ADOPTED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CANNON FALLS, GOODHUE COUNTY, MINNESOTA ON THE 21st DAY OF May, 1998.

Corey Hansen
Mayor

ATTEST:

Dallas Larson
Dallas Larson, Administrator

EXHIBIT A
LEGAL DESCRIPTIONS

Annexation Area No. 1

Annexation Area No. 2

PHASE I ANNEXATION
AREA BOUNDARY
DESCRIPTION

That part of Section 19, Township 112 North, Range 17 West, Goodhue County, Minnesota, described as follows:

Commencing at the northwest corner of said Section 19; thence easterly along the north line of said Section 19, to the westerly right-of-way line of Trunk Highway Number 52, and to the point of beginning; thence southeasterly along said westerly right-of-way 300 feet more or less; thence northeasterly along said westerly right-of-way 150 feet more or less; thence southerly along said westerly right-of-way to the southerly right-of-way line of County State Aid Highway Number 24; thence north 38 degrees 29 minutes 39 seconds west along said southerly right-of-way 172.89 feet; thence north 68 degrees 40 minutes 22 seconds west along said southerly right-of-way 404.41 feet to the west line of Government Lot 8, said Section 19; thence north 89 degrees 30 minutes 55 seconds west along said southerly right-of-way 14.00 feet; thence south 00 degrees 01 minutes 22 seconds west, parallel with the west line of said Government Lot 8, to the south line of said Section 19; thence easterly along said south line to a point 750 feet more or less west of the southeast corner of the Southwest Quarter of said Section 19; thence northerly, parallel with the east line of said Southwest Quarter, to the north line of Government Lot 12 of said Section 19; thence westerly along said north line 50 feet to a point 795 feet west of the east line of the Southwest Quarter of said Section 19; thence northerly, parallel with said east line of the Southwest Quarter, to the north line of said Southwest Quarter; thence westerly along said north line, to the southwest corner of the Cedar Hill Addition; thence northerly along the west line of said Cedar Hill Addition 364.68 feet to the southwest corner of Lot 1, Block 1 of said Cedar Hill Addition; thence easterly 260 feet to the southeast corner of said Lot 1; thence northerly along the westerly line of Lots 11, 10, and 9 of said Block 1, a distance of 385.02 feet to the northwest corner of said Lot 9, Block 1; thence northerly along the west line of Lots 8 and 7 of said Block 1, a distance of 284.72 feet to the southwesterly right-of-way line of Cedar Hills Drive; thence northwesterly along said southwesterly right-of-way line 229.84 feet to the easterly right-of-way line of Old Highway Number 52; thence westerly 50 feet; thence northerly to the intersection of Old Highway Number 52 easterly right-of-way with the northerly right-of-way of Cedar Hills Drive; thence easterly along the northerly right-of-way of said Cedar Hills Drive 265 feet to the westerly line of Lot 3, Block 4, Cedar Hill Addition; thence northerly to the northwest corner of said Lot 3; thence northeasterly along the northwesterly line of said Block 4, a distance of 660.10 feet; thence easterly along the northerly line of said Block 4, a distance of 324.09 feet to the east line of the Northwest Quarter of said Section 19; thence southerly along said east line to a point 1356.40 feet north of the southwest corner of the Northeast Quarter of said Section 19; thence south 89 degrees 30 minutes 55 seconds east 284.39 feet; thence south 00 degrees 00 minutes 17 seconds east, parallel with the west line of said Northeast Quarter 612.69 feet, to the north line of the south 45 acres of the Northeast Quarter of said Section 19; thence easterly along the north line of said south 45 acres to the east line of said Northeast Quarter; thence northerly along said east line to a point 1000.80 feet south of the northeast corner

of said Northeast Quarter; thence westerly 684.00 feet; thence southerly 224.20 feet to a point 1225.00 feet south of the southerly right-of-way of County Road Number 25; thence westerly to 200.00 feet; thence northerly, parallel to the west line of said Northeast Quarter 1225.00 feet to the said southerly right-of-way; thence westerly along said southerly right-of-way to the west line of said Northeast Quarter; thence northerly along said west line to the northwest corner of said Northeast Quarter; thence westerly along the north line of the Northwest Quarter of said Section 19 to the point of beginning.

Together with that part of the Northwest Quarter of Section 30, Township 112 North, Range 17 West, described as follows:

Commencing at the northwest corner of the Northwest Quarter of said Section 30; thence westerly along the north line of said Northwest Quarter 3341.12 feet to the northwest corner of the Northeast Quarter of said Northwest Quarter; thence southerly along the west line of said Northeast Quarter of the Northwest Quarter 1370.00 feet more or less to the southwest corner of Southview Acres Real Estate Company property; thence easterly to the westerly right-of-way line of Trunk Highway Number 52; thence northerly along said westerly right-of-way to the north line of said Northeast Quarter of the Northwest Quarter; thence westerly along said north line to the point of beginning.

REC'D. BY
MMB FEB 06 2001

**PHASE II ANNEXATION
AREA BOUNDARY
DESCRIPTION**

That part of the Northwest Quarter of Section 19, Township 112 North, Range 17 West, Goodhue County, Minnesota, described as follows:

Commencing at the northwest corner of said Northwest Quarter; thence easterly along the north line of said Northwest Quarter to the east line of said Northwest Quarter; thence southerly along said east line to the northeast corner of Block 4 of Cedar Hill Addition and the point of beginning; thence southerly along said east line to the southeast corner of said Northwest Quarter; thence westerly along the south line of said Northwest Quarter to the Southwest corner of Cedar Hill Addition; thence northerly along the west line of said Cedar Hill Addition 364.68 feet to the southwest corner of Lot 1, Block 1 of said Cedar Hill Addition; thence easterly 260 feet to the southeast corner of said Lot 1; thence northerly along the westerly line of Lots 11, 10, and 9 of said Block 1, a distance of 385.02 feet to the northwest corner of said Lot 9, Block 1; thence northerly along the west line of Lots 8 and 7 of said Block 1, a distance of 284.72 feet to the southwesterly right-of-way line of Cedar Hills Drive; thence northwesterly along said southwesterly right-of-way line 229.84 feet to the easterly right-of-way line of Old Highway Number 52; thence westerly 50 feet; thence northerly to the intersection of Old Highway Number 52 easterly right-of-way with the northerly right-of-way of Cedar Hills Drive; thence easterly along the northerly right-of-way of said Cedar Hills Drive 265 feet to the westerly line of Lot 3, Block 4, Cedar Hill Addition; thence northerly to the northwest corner of said Lot 3; thence northeasterly along the northwesterly line of said Block 4, a distance of 660.10 feet; thence easterly along the northerly line of said Block 4, a distance of 324.09 feet to the east line of the Northwest Quarter of said Section 19 and the point of beginning.

EXHIBIT B
SAMPLE RURAL FIRE ASSOCIATION CONTRACT AMOUNT ADJUSTMENT

$$\frac{\text{Tax Capacity Value of Annexation Area No. 1}}{\text{Tax Capacity Value of Area served by Rural Fire Association}} = \frac{\$ 500,000}{\$5,000,000} = 10\%$$

Year	Original Contract Amount	Comparative Tax Capacity Value Adjustment	Contract Reduction	Tax Sharing Factor	Resulting Reduction	Resulting Contract Amount
1998	\$50,000	10%	\$5,000	0%	\$0	\$50,000
1999	\$50,000	10%	\$5,000	10%	\$500	\$49,500
2000	\$50,000	10%	\$5,000	30%	\$1,500	\$48,500
2001	\$50,000	10%	\$5,000	50%	\$2,500	\$47,500
2002	\$50,000	10%	\$5,000	70%	\$3,000	\$47,000
2003	\$50,000	10%	\$5,000	90%	\$4,500	\$45,500

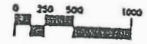
Note: The calculations and amounts included herein are hypothetical and used for demonstration purposes only.

EXHIBIT "B"



That part of the Northwest Quarter of Section 19, Township 112 North, Range 17 West, Goodhue County, Minnesota, described as follows:

Commencing at the northwest corner of said Northwest Quarter; thence easterly along the north line of said Northwest Quarter to the east line of said Northwest Quarter; thence southerly along said east line to the northeast corner of Block 4 of Cedar Hill Addition and the point of beginning; thence southerly along said east line to the southeast corner of said Northwest Quarter; thence westerly along the south line of said Northwest Quarter to the Southwest corner of Cedar Hill Addition; thence northerly along the west line of said Cedar Hill Addition 364.68 feet to the southwest corner of Lot 1, Block 1 of said Cedar Hill Addition; thence easterly 260 feet to the southeast corner of said Lot 1; thence northerly along the westerly line of Lots 11, 10, and 9 of said Block 1, a distance of 385.02 feet to the northwest corner of said Lot 9, Block 1; thence northerly along the west line of Lots 8 and 7 of said Block 1, a distance of 284.72 feet to the southwesterly right-of-way line of Cedar Hills Drive; thence northwesterly along said southwesterly right-of-way line 229.84 feet to the easterly right-of-way line of Old Highway Number 52; thence westerly 50 feet; thence northerly to the intersection of Old Highway Number 52 easterly right-of-way with the northerly right-of-way of Cedar Hills Drive; thence easterly along the northerly right-of-way of said Cedar Hills Drive 265 feet to the westerly line of Lot 3, Block 4, Cedar Hill Addition; thence northerly to the northwest corner of said Lot 3; thence northeasterly along the northwesterly line of said Block 4, a distance of 660.10 feet; thence easterly along the northerly line of said Block 4, a distance of 324.09 feet to the east line of the Northwest Quarter of said Section 19 and the point of beginning.

ANNEXATION PARCELS CANNON FALLS, MN



LEGEND

-  PHASE I ANNEXATION PARCELS
-  PHASE II ANNEXATION PARCELS

