

MAY 22 2003

**JOINT RESOLUTION BETWEEN THE TOWN
OF MIDDLEVILLE AND THE CITY OF HOWARD LAKE
DESIGNATING AN AREA FOR ORDERLY ANNEXATION**

The Town of Middleville, a public corporation under the laws of the State of Minnesota ("Middleville Township"), and the City of Howard Lake, a Minnesota municipal corporation ("Howard Lake"), jointly agree and resolve as follows:

1. Howard Lake and Middleville Township, through this joint resolution, intend to accomplish annexation into Howard Lake of property lying within Middleville Township and legally described on Exhibit A, attached hereto and incorporated herein (hereinafter referred to as the "Annexation Area").

2. Middleville Township and Howard Lake hereby designate the Annexation Area for orderly annexation, pursuant to Minnesota Statutes 414.0325.

3. Middleville Township and Howard Lake do, upon their adoption of the joint resolution and upon acceptance of it by the State of Minnesota, Department of Administration, Office of Municipal Boundary Adjustments (the "Boundary Adjustments Office"), confer jurisdiction upon the Boundary Adjustments Office, over the Annexation Area so as to accomplish said orderly annexation in accordance with the terms of this Resolution.

4. No consideration by the Boundary Adjustments Office is necessary.

5. After the Boundary Adjustments Office accepts this Joint Resolution, Howard Lake after receipt of a petition as hereinafter described may annex any part of the Annexation Area by submitting to the Boundary Adjustment Office's Executive Director a separate City of Howard Lake resolution designating a portion of the Annexation Area for annexation.

6. The Boundary Adjustment Office may review and comment, but shall, within 30 days of the date that the Boundary Adjustment Office receives Howard Lake's separate designating resolution, order annexation in accordance with the terms of this Joint Resolution and the separate designating resolution. No alteration of the stated boundaries of the orderly Annexation Area or a designated area within the Annexation Area is appropriate.

7. For all lots of record located within the Annexation Area and already improved by single-family residences as of the date of this Joint Resolution agreement and separately designated by Section Number on the attached Exhibit B, Howard Lake shall only consider annexation of said groupings of improved lots in accordance with the following procedure:

Each grouping of single-family residences separately designated by it's own Section Number on the attached Exhibit B shall only be considered by Howard Lake for annexation as a unit or group of homes after a majority of all of the property owners located within said separately designated Section Number petition Howard Lake for annexation. It shall be the policy of Howard Lake not to annex any of the homes located within each separate Section Number unless a majority of all of the lot owners located within the Section Number petition Howard Lake for annexation of all of the single-family residential lots located within the said Section Number. Provided, however, if sewer and water utility lines are already installed in a street adjacent to a single-family residential lot of record located within any of the Exhibit B Section Numbers and if the septic system of said single-family residential lot of record fails, Howard Lake shall consider said single-family residential lot of record for annexation if all of the owners of said single-family residential lot of record petition Howard Lake for annexation.

8. For all lots of record located within the Annexation Area and already improved by single-family residences as of the date of this Joint Resolution agreement and not separately designated by Section Number on the attached Exhibit B, Howard Lake shall only consider annexation of said improved lots on a one-by-one basis after all of the record owners of said undesignated lot petition Howard Lake for annexation.

9. Subject to all of the other terms and provisions of this joint resolution Howard Lake shall consider annexation of unimproved portions of the Annexation Area after a majority of all of the property owners of said unimproved land petition Howard Lake for annexation.

10. The Annexation Area is now or about to become urban or suburban in nature. The Annexation Area is unincorporated and in need of orderly annexation. Howard Lake is capable of providing the services required by the Annexation Area within a reasonable time.

11. It shall be the policy of Howard Lake to consider petitions for land annexation if said land is (1) adjacent to the Howard Lake city limits and (2) provided said land allows for a logical extension of sanitary sewer and water utilities.

12. By proceeding with orderly annexation within this Annexation Area, timely development will occur in accordance with the Howard Lake Capital Improvement Plan that will not overburden Howard Lake's utility infrastructure. Annexation may occur in anticipation of planned utility improvements designed to serve the Annexation Area.

13. Howard Lake will pursue annexations of specific portions of the Annexation Area that, in Howard Lake's judgment, are of sufficient size to allow for area planning for streets, utilities

and land use patterns. Howard Lake will seek to avoid incomplete or dead-end utility or street systems.

14. The separate designating resolution for annexation of each specific parcel of the Annexation Area shall not be submitted to the Boundary Adjustment Office until receipt by Howard Lake of a site design plan acceptable to Howard Lake for such specific parcel. Prior to Howard Lake approving a final plat for any such specific parcel, Middleville Township will be given the opportunity to review and comment on the drainage plan for the specific parcel. Howard Lake retains the right to approve the drainage plan for each parcel in the Annexation Area.

15. After the date of this Joint Resolution Agreement all road construction and maintenance policy within the Annexation Area shall be determined by mutual agreement between Middleville Township and Howard Lake. The terms of said right of way agreement shall be contained within the separate City of Howard Lake resolution submitted to the Boundary Adjustment Office's Executive Director and described in paragraph 5 above. In addition, Howard Lake and Middleville Township shall discuss the construction design and schedule for those roads lying outside the Annexation Area in order to provide, where reasonably feasible, for continuity of street construction and timing. Unless otherwise agreed to in said separate City of Howard Lake designating resolution, Middleville Township and Howard Lake agree as follows with regard to the roads located within the Annexation Area:

a. Middleville will maintain any shared road that is gravel and Howard Lake will maintain any shared road that has an improved surface.

b. Middleville and Howard Lake shall discuss and reach an agreement regarding the responsibility for snow plowing.

c. All roadways serving new developments located off a township road shall be improved by Howard Lake from the access of the development to the County, City or State road.

16. Within development agreements entered into between Howard Lake and developers of the Annexation Area, the developers of the Annexation Area shall be directed to use Wright County roads and Howard Lake roads for construction traffic wherever reasonably feasible. Howard Lake shall not object in the event that Middleville Township requests payment from any such developer for the cost of road repairs to a Township road damaged because of the developer's construction traffic, or requests the developer to repair a damaged Township road.

17. Howard Lake's policy for deferred, delayed, or future assessments for improvements located within the Annexation Area is as follows:

a. Sanitary Sewer and Water Utilities. Howard Lake

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reserves the right to impose deferred, delayed, or future assessments against properties in Middleville Township for construction of sanitary sewer and water utilities located within the Annexation Area. The deferred, delayed or future assessments will not be assessed until notice to the affected owners and hearings, as required by law, are completed; will only be payable when any such property is annexed into Howard Lake; and will only be assessed in an amount equivalent to the benefit received by each such parcel. Howard Lake will determine a per unit cost of construction for the sanitary sewer and water utility system. The deferred, delayed, or future assessment will represent the construction cost adjusted for inflation at the time the assessment is paid.

b. Street and Curb and Gutter and Storm Sewer Utilities. Howard Lake reserves the right to impose deferred, delayed, or future assessments against properties in Middleville Township for construction of roadways and storm sewers located within the Annexation Area. The deferred, delayed or future assessments will not be assessed until notice to the affected owners and hearings, as required by law, are completed; will only be payable when any such property is annexed into Howard Lake; and will only be assessed in an amount equivalent to the benefit received by each such parcel. Howard Lake will determine a per-unit cost of construction for the street and storm sewer system. The deferred, delayed, or future assessment will represent the construction cost adjusted for inflation at the time the assessment is paid.

Howard Lake reserves the right to enter into development agreements with the developers of any specific parcels of property within the Annexation area, or other Middleville Township properties, that vary from the terms of this paragraph 17 with respect to such parcel.

18. Upon annexation of specific parcels of unimproved land within the Annexation Area, Howard Lake agrees to compensate Middleville Township for loss of tax revenues to ease Middleville Township's financial adjustment to the annexation. The parties agree that this compensation shall be on a per-acre basis at the rate of \$200.00 per acre of annexed land until June 30, 2008. On July 1, 2008, Middleville Township and Howard Lake shall adjust the said per-acre compensation payable by Howard Lake to Middleville Township. The adjusted per-acre compensation rate shall be determined by averaging the dollars per acre received for orderly annexation by all of the townships adjoining Middleville including Woodland, Victor, Stockholm, Cokato, Marysville, Chatham, Albion and French Lake townships between the period of July 1, 2007 and June 30, 2008. The said adjusted per-acre compensation rate shall be payable by Howard Lake to Middleville Township for all annexations that occur between July 1, 2008 and December 31, 2013,

within the Annexation Area.

19. The compensation to Middleville Township for an annexed parcel of unimproved land referred to in paragraph 18 of this Joint Resolution shall be payable in one lump sum at the time of annexation of such parcel.

20. If the annexation of specific parcels of improved land within the Annexation Area becomes effective on or before August 1 of a levy year, Howard Lake may levy on the annexed area beginning with that same levy year; or if the annexation becomes effective after August 1 of a levy year, Middleville Township may continue to levy on the annexed area for that levy year, and Howard Lake may not levy on the annexed area until the following levy year. In the first year following the year when Howard Lake can first levy on the annexed area and thereafter, property taxes on the annexed land shall be paid to Howard Lake, but Howard Lake shall make a cash payment to Middleville Township for the period and in accordance with the following schedule:

- i. In the first year following the year Howard Lake could first levy on the annexed area, an amount equal to 90% of the property taxes distributed to Middleville Township in regard to the annexed area in the last year the property taxes from the annexed area were payable to Middleville Township;
- ii. In the second year, an amount equal to 70%;
- iii. In the third year, an amount equal to 50%;
- iv. In the fourth year, an amount equal to 30%; and
- v. In the fifth year, an amount equal to 10%.

21. Howard Lake does not assume by this annexation any liability or responsibility for the payment of any obligations issued to finance public improvements constructed by Middleville Township or for which special assessments were levied by Middleville Township.

22. Unless renewed by both parties, this Joint Resolution shall expire and be of no further force and effect after December 31, 2013.

This Joint Resolution shall be effective solely upon approval by both the Middleville Township Board and the Howard Lake City Council.

REC'D BY
MMB

MAY 22 2003

APPROVED BY THE TOWNSHIP OF MIDDLEVILLE THIS 13 DAY OF

May, 2003.

By:

[Signature]
Supervisor, Chairman

ATTEST:

[Signature], Clerk

APPROVED BY THE CITY COUNCIL OF THE CITY OF HOWARD LAKE THIS

6th DAY OF May, 2003.

By:

[Signature]
Gerald R. Smith, Mayor

ATTEST:

By: [Signature]
Gene Gilbert, City Clerk

Exhibit A

REC'D BY
MMB

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1. The West Half of the Northwest Quarter, Section 35, Township 119, Range 27, Wright County, Minnesota.
2. The West Half of the Southwest Quarter, Section 26, Township 119, Range 27, Wright County, Minnesota.
3. The Southeast Quarter, the Northeast Quarter of the Southwest Quarter, Government Lots 1 and 2, all in Section 27, Township 119, Range 24.

(Contains plat of SUNSET RIDGE, contains portion of plat of MILLERS NORTH VIEW ESTATES)

4. That part of the Northeast Quarter of the Northeast Quarter and Government Lots 3 and 4, all in Section 34, Township 119, Range 26, Wright County, Minnesota, described as follows:

Beginning at the northwest corner of said Northeast Quarter of the Northeast Quarter; thence southerly, along the west line of said Northeast Quarter of the Northeast Quarter, a distance of 309.2 feet; thence easterly deflecting 90 degrees left, a distance of 317.00 feet; thence southerly, deflecting 90 degrees right, a distance of 317.00 feet; thence easterly, deflecting 90 degrees right to the west line of the recorded plat of LAKE GOLF ESTATES; thence southerly, along said west line to a northwesterly line of said LAKE GOLF ESTATES; thence southwesterly, along said northwesterly line to the center line of Imhoff Avenue; thence northwesterly, along said center line to the intersection with the northeasterly extension of the easterly line of Lot 3, Block 1, BRIARWOOD, according to the recorded plat thereof; thence southwesterly, along said extension and the easterly line of said Lot 3, to the water's edge of Howard Lake; thence northwesterly, along said water's edge to the north line of said Government Lot 4; thence easterly, along said north line, to the point of beginning.

(Contains plat of BRIARWOOD, contains portion of plat of MILLERS NORTH VIEW ESTATES)

5. The East Half of the Southwest Quarter, Government Lots 1 and 2, all in Section 28, Township 119, Range 27, Wright County, Minnesota.
6. Government Lots 1 and 2, the East Half of the Southwest Quarter, the Southwest Quarter of the Southeast Quarter, that part of the Southwest Quarter of the Southwest Quarter which lies southerly of the northeasterly right of way of the Burlington Northern Railroad, all in Section 33, Township 119, Range 27, Wright County, Minnesota.

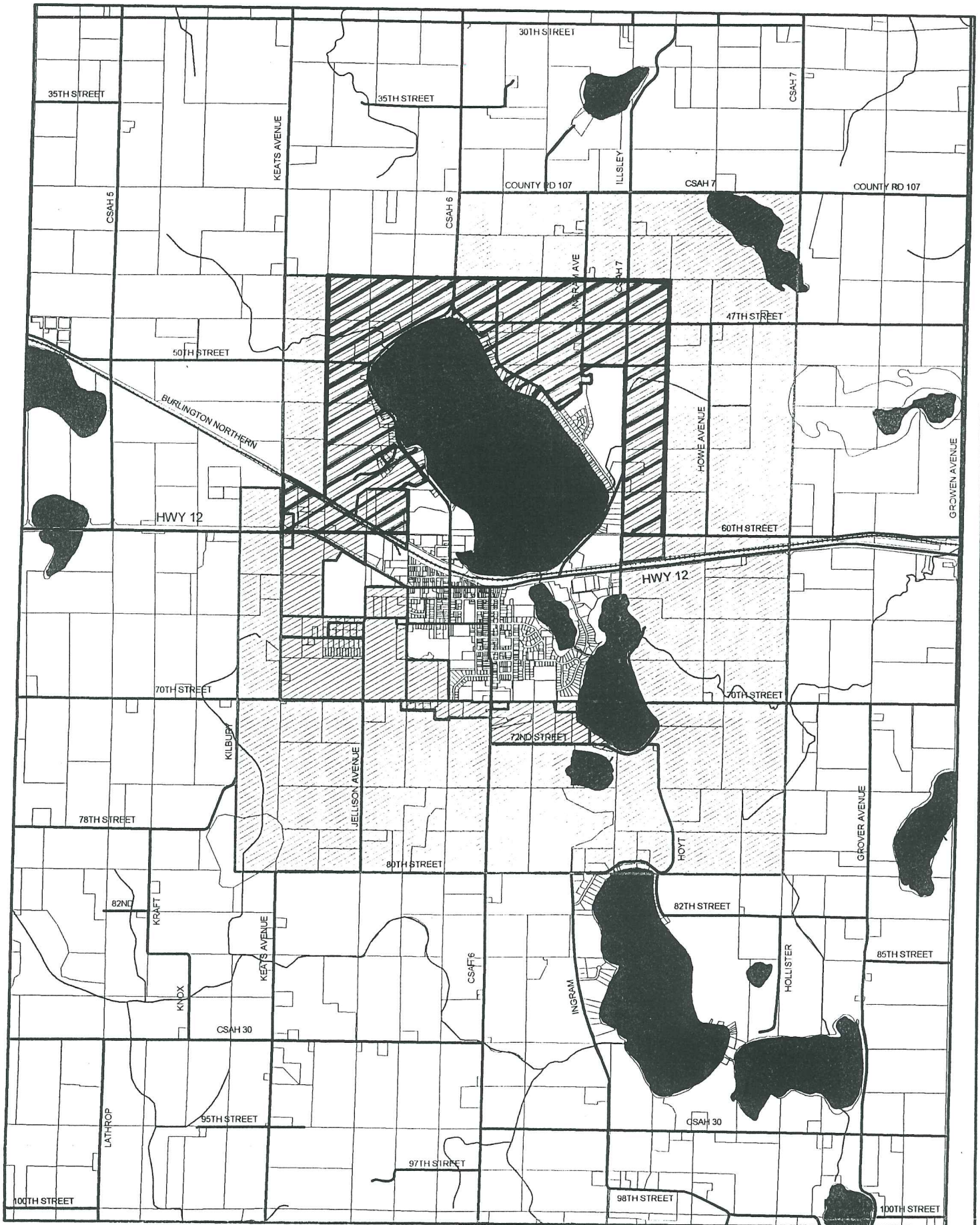
(contains plat of LAKEWOOD, contains plat of LAKEWOOD 1ST ADDITION)

7. That part of Government Lot 3, Section 33, Township 119, Range 27, which lies westerly of the center line of County Highway No. 6.

(Contains plat of HORSCH'S ADDITION, contains plat of HORSCH'S 2ND ADDITION)

Except lands described in Doc.#566378

Except lands described in Doc.#781735



- Future Annexation / Utility Extension Planning Area
- Short Term Annexation Area
- Water
- City Limits
- Roads
- Railroads
- Stream / Ditch

0.5 0 0.5 1 1.5 Miles

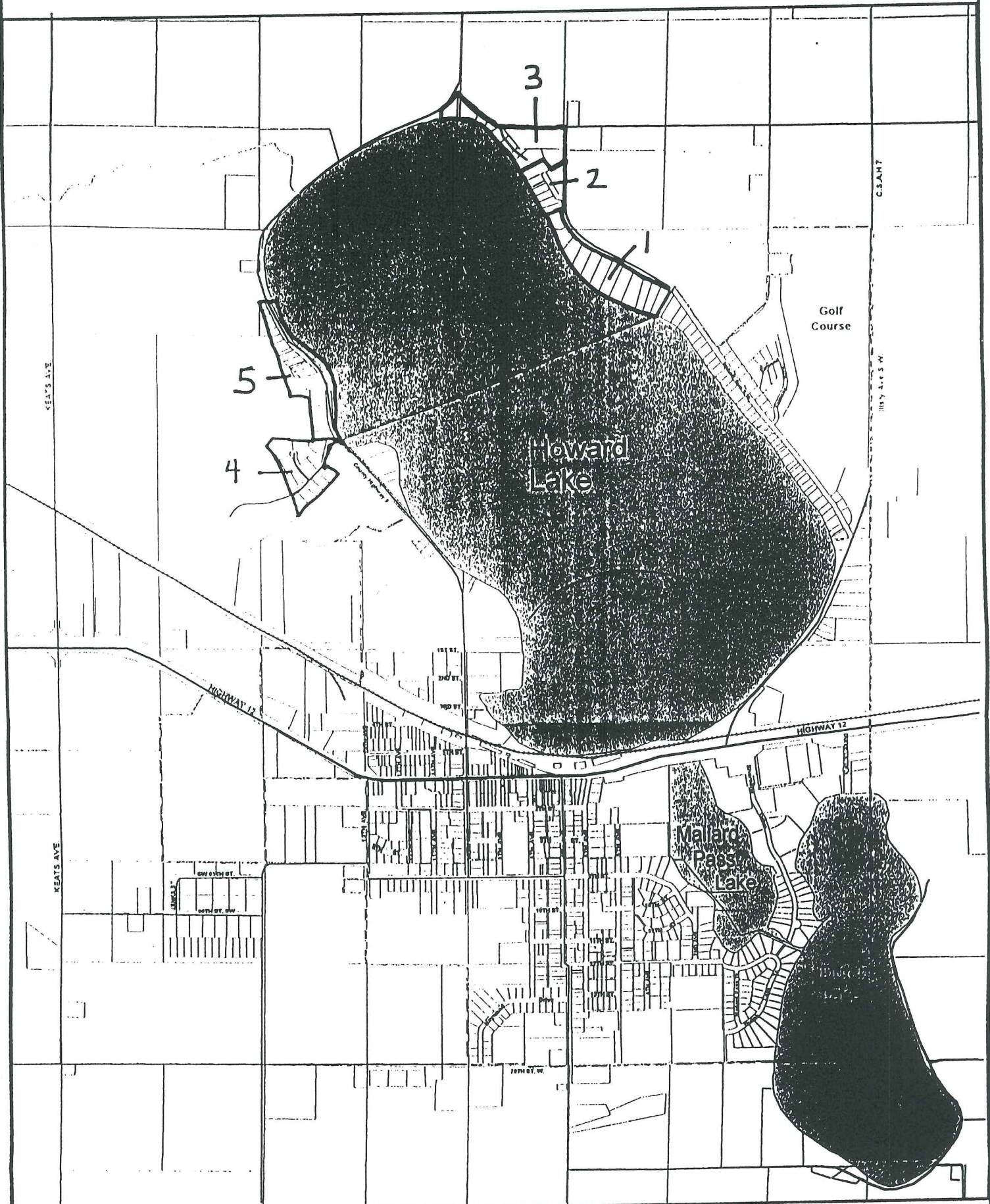


FUTURE ANNEXATION/
UTILITY EXTENSION
PLANNING AREA MAP
CITY OF HOWARD LAKE
COMPREHENSIVE
PLAN



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Source: Wagon Co., MNDOT, MNDNR, &
Northwest Associated Consultants,
September 2001.
This map is for planning purposes only.



Source: Wright Co., MNDOT & Northwest
Associated Consultants, February 2001.
This map is for planning purposes only.



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- Water
- Railroad
- Roads
- City Limits



0 0.25 0.5 0.75 1 Miles

CITY OF HOWARD
LAKE
COMPREHENSIVE
PLAN
BASE MAP

Exhibit B-2

The parcels located within Section 1 are Lots 1-3, Briarwood, and Lots 1-9, Miller's North View Estates, according to plats of record in the office of the Wright County Recorder.

The parcels located within Section 2 are Lots 1-6, Sunset Ridge, according to plat of record in the office of the Wright County Recorder, and Wright County Tax Parcels No. 212-000-273300 and No. 212-000-273308.

The parcels located within Section 3 are Wright County Tax Parcels No. 212-000-273200 and 212-000-273201 and 212-000-273202 and 212-000-273300 and 212-000-273304 and 212-000-273306 and 212-000-273301 and 212-000-273302 and 212-000-273303.

The parcels located within Section 4 are Lots 1-8, Horsch's Addition, and Lots 1-5 Horsch's Second Addition, according to plats of record in the office of the Wright County Recorder.

The parcels located within Section 5 are Lots 1-7, Lakeview, and Lots 1-11, Lakeview 1st Addition, according to plats of record in the office of the Wright County Recorder.