

**JOINT RESOLUTION
BY THE CITY OF CLEAR LAKE AND THE TOWN OF CLEAR LAKE
FOR AN ORDERLY ANNEXATION AGREEMENT
PURSUANT TO MINNESOTA STATUTES § 414.0325**

WHEREAS, the City of Clear Lake, (the “City”) and the Town of Clear Lake, (the “Town”), (collectively, the “Parties”), desire to provide for the orderly development and extension of services to areas of the Town that are appropriate for annexation either currently or at some point in the future, and are in agreement as to the orderly annexation of the unincorporated land described herein; and

WHEREAS, both Parties believe it will be to their benefit and to the benefit of their respective residents to enter into an Orderly Annexation Agreement (the “Agreement”); and

WHEREAS, Minnesota Statute §414.0325 provides a procedure whereby the City and the Town may agree on a process for the orderly annexation of a designated area; and

WHEREAS, a Notice of Intent to Designate an Area for Orderly Annexation was duly published pursuant to the requirements of Minnesota Statutes §414.0325, subd. 1b; and

WHEREAS, the Parties are in agreement as to the procedures and process for orderly annexation of certain lands described herein for the purpose of orderly, planned municipal growth and boundary adjustment; and

WHEREAS, the Parties desire to establish a joint planning board to administer planning, zoning, and subdivision regulations within the Orderly Annexation Area (the “OAA”); and

WHEREAS, the Parties have agreed to all the terms and conditions for the annexation of the lands described within this document and the signatories hereto agree that no consideration by the Chief Administrative Law Judge (“CALJ”) of the Office of Administrative Hearings – Municipal Boundary Adjustments of the State of Minnesota (the “OAH/MBA” or “Office”) is necessary; that said CALJ may review and comment, but shall within 30 days, order the annexation in accordance with the terms of the resolution.

NOW, THEREFORE, BE IT RESOLVED, that the Parties hereby enter into an Orderly Annexation Agreement under the following terms:

1. **Description of Designated Area.** The parties agree that certain unincorporated land within the Town is appropriate for designation for orderly annexation under and pursuant to Minnesota Statutes § 414.0325 which land is referred to herein as being part of the Orderly Annexation Area (“OAA”), and the parties do hereby designate such land for orderly annexation as provided by statute. Under the terms and circumstances described herein, the Parties may later designate certain land within the OAA as meeting the statutory criteria for annexation.

The first such designated area shall be known as “Zone 1”, which is legally described as follows:

See legal descriptions of Zone 1 attached as Exhibit A.

The parties agree that the land within said Zone 1 may soon be appropriate for annexation, and that parcels of land therein may be annexed under the conditions and circumstances described herein.

The remainder of the Orderly Annexation Area shall be referred to as "Zone 2" and "Zone 3", which are legally described on Exhibit A, and shall be annexed only under the circumstances and conditions described herein.

A map of the OAA, showing Zone 1, Zone 2, and Zone 3, is attached hereto as Exhibit B.

2. **Acresage/Population/Usage.** Zone 1 consists of approximately 192.2 acres, and the population in Zone 1 is approximately 13 capita. Zone 2 consists of approximately 662.12 acres, and the population in Zone 2 is approximately 21 capita. Zone 3 consists of approximately 1,802.00 acres, and the population in Zone 3 is approximately 147* capita.

*Does not include the seasonal populations of Travelers Country Club, Airstream Park and Seasonal Worker Housing in the NW ¼ of the NE ¼, Section 13, T34N, R30W.

3. **Jurisdiction.** That the Town and the City, do upon adoption of this Agreement by each governing board and council, confer jurisdiction upon the OAH/MBA – so as to accomplish orderly annexation in accordance with the terms hereof.

4. **Need.** The Parties agree that when the properties within the OAA become urban or suburban in character or are in need of municipal services, and the conditions herein are met, and provided that the City will be capable of providing municipal water, sanitary sewer and storm sewer services to said areas within Two (2) years, annexation into the City will be in the best interest of those properties. However, in the event that a parcel (defined as a single parcel for real estate tax purposes) that is located in whole or in part within any of the three zones of the OAA is 1) at least 10 acres in size; 2) owned by an individual, family, Trust, partnership or other business entity; 3) not in need of city water or sanitary sewer services for the present or intended uses located or intended to be located thereon; 4) not intended to be developed or subdivided for residential, commercial or industrial purposes; and 5) not completely surrounded by property within the City's boundaries or property within that OAA boundaries that is scheduled for annexation; then the owner(s) of said parcel may opt out of the annexation, and their property shall remain within the jurisdiction and territory of the Town. The owner(s) of such a parcel may, upon receipt of notice of the intended annexation, file with the Town or City an affidavit expressing their intention to opt out of the annexation under these circumstances, and upon confirmation by the JPB (as defined herein) of the existence of such circumstances, said parcel shall not be annexed without said owner(s)'s written consent, notwithstanding the apparent existence of any of the conditions for annexation as described herein.

5. **Conditions for Annexation.** The City and the Town mutually state that this Agreement sets forth all of the conditions for annexation of the areas designated herein for orderly annexation and that, upon approval by future joint resolutions from the City and the Town

approving of the annexation of some or all of the property within the OAA, no consideration by the CALJ or the OAH/MBA is necessary, and that the CALJ or the OAH/MBA may review and comment, but shall, within thirty (30) days after receipt of such a joint resolution from the Town and City, order the annexation of the properties identified within said resolution, subject to the following:

Conditions for Annexation. Lands within the OAA may be annexed under the following conditions, as applicable, when: (i) suitable development projects proposed for the area, as approved by the Joint Planning Board (identified below), would require municipal sewer or water services not available in the Township and would compel improvements to nearby, or construction of new roads or streets; and (ii) the City has the capacity available and the infrastructure in place or to be constructed, to extend municipal water and sewer services to the area within Two (2) years from the application for annexation.

- i. **State Highway 24 Corridor Area – Zone 1.** The lands within the areas identified as “Zone 1” on Exhibit A are designated Corridor Areas. Not all of the properties within this area are urban or suburban or about to become so at this time. But in order to provide City access to municipal service facilities, to better serve the public school in this area, and to provide services to the properties in this area that are likely to become urban or suburban in character, any such properties may be annexed into the City in accordance with the following conditions and procedures.

- (1) **Conditions for Annexations:** The Town and City shall adopt a joint resolution approving an annexation of Property within Zone 1 when any of the following conditions have been met:

- (a) **Petition of Property Owner.** (i) the City receives a petition requesting annexation signed by owners of 100% of individual parcels of record of the properties approved for development in the area proposed for annexation; and (ii) the property proposed for annexation is contiguous to the City, or will be contiguous, following annexation.
- (b) **Developable Property.** The property is designated for Development as residential, school, municipal, commercial or industrial property in the City’s Comprehensive Plan and (i) the City receives a petition requesting annexation signed by owners of 100% of individual parcels of record of the properties intended for development in the area proposed for annexation; and (ii) the property proposed for annexation is contiguous to the City, or will be contiguous, following annexation.
- (c) **Corridor Services Property.** The property is located

within Zone 1 and is part of an area designated by the City as a corridor through which municipal services or utilities are proposed to be installed, provided that such corridor area includes the minimum amount of land reasonably necessary to install such services or utilities, and provided that 100% of the property owners in the designated corridor area have approved the annexation, or that such land, or parcels therein have been acquired by the city through purchase or eminent domain proceedings.

(d) **Public Property.** (i) The property is located within Zone 1 and the property is owned by the City.

(2) **Exceptions to Area requirements.** (i) Although the Zone 1 Corridor extends 500 feet from the centerline of State Highway 24, the Joint Planning Board shall have discretion to permit the annexation of parcels located within Zone 1 that are less than 500 feet in depth or distance from said centerline, provided that all other conditions described herein are met. (ii) In the event that the City wishes to annex any part of the property owned by the school district and located within Zone 1, it shall also annex all of the school property, even if any such property is located outside of the Zone 1 Corridor.

ii. **County Urban Expansion Area – Zone 2.** The lands within the area identified as “Zone 2” in Exhibit A are designated Urban Expansion Area in the Sherburne County Zoning Ordinance. These properties are anticipated to become urban or suburban in character and use, and when the City is capable of providing services to properties within this area, said properties may be annexed into the City in accordance with the following procedures:

(1) **Conditions for Annexations:** The Town and City shall adopt a joint resolution approving an annexation of Property within Zone 2 when any of the following conditions have been met:

(a) **Petition of Property Owners.** (i) the City receives a petition requesting annexation signed by owners of 100% of contiguous individual parcels of record which are approved for development, and which consist of no more than 20 acres in the aggregate; and (ii) the properties proposed for annexation are all contiguous to the City, or will be contiguous, following annexation.

- (b) **Residentially Developed, Platted Property (i.e. “Neighborhoods”).** (i) The City receives a petition requesting annexation signed by the owners of ninety percent (90%) of the individual parcels of record for the Neighborhood requesting annexation; and (ii) all parcels within the Neighborhood proposed for annexation are contiguous to each other and the whole thereof is contiguous to the City.

The City Council and Town Board may alter the boundaries of the Neighborhood or add properties to the Neighborhood so long as such properties are contiguous to residentially developed properties contained within the Annexation Area. If the City annexes a Neighborhood, the City must annex the entire Neighborhood. Neighborhoods will be defined as platted subdivisions, with at least 51% percent of the lots improved for residential use.

- (c) **Surrounded Properties.** (i) The property is located within the Zone 2, and (ii) the property has been completely surrounded by land within the City; and (iii) the property is two acres or less in size. “Surrounded” includes areas with boundaries that would surround or touch one another but for an intervening road, railroad, waterway, public trail, or parcel of publicly-owned land.

iii. **Other Lands – Zone 3.** The lands within the area designated as “Zone 3” on Exhibit A are designated Other Lands and shall be annexed into the City in accordance with the following procedures:

- (1) **Approval Process for Annexations:** The Town and City shall adopt a joint resolution approving an annexation of any Property within the Zone 3 when all of the lands in Zones 1 and 2 have been annexed (with the allowable exception of any parcels that have opted out of annexation under the provisions of Paragraph 4) and when any of the following conditions have been met:

- (a) **Petition of Property Owner.** (i) the City receives a petition requesting annexation signed by owners of 100% of individual parcels of record, provided that such parcels are not less than 5 acres and not more than 20 acres in the aggregate; and (ii) the properties proposed for annexation are all contiguous to the City, or will be contiguous, following annexation.

- (b) **Surrounded Properties.** (i) The property is located within the Zone 3, and (ii) the property has been completely surrounded by land within the City; and (iii) the property is two acres or less in size. “Surrounded” includes areas with boundaries that would surround or touch one another but for an intervening road, railroad, waterway, public trail, or parcel of publicly-owned land.
- (c) **Public Property.** (i) The property is located within Zone 3 ; and the property is owned by the City.
- (d) **Residentially Developed, Platted Property (i.e. “Neighborhoods”).** (i) The City receives a petition requesting annexation signed by the owners of ninety percent (90%) of the individual parcels of record for the Neighborhood requesting annexation; and (ii) all parcels within the Neighborhood proposed for annexation are contiguous to each other and the whole thereof is contiguous to the City.

The City Council and Town Board may alter the boundaries of the Neighborhood or add properties to the Neighborhood so long as such properties are contiguous to residentially developed properties contained within the Annexation Area. If the City annexes a Neighborhood, the City must annex the entire Neighborhood. Neighborhoods will be defined as platted subdivisions, with at least 51% percent of the lots improved for residential use.

- b. **Provision of Municipal Utility Service.** The City acknowledges and agrees that, as a required condition to annexation of any property in the zones described herein , under any of the circumstances or conditions described above, the City shall be obligated to provide municipal waste water treatment (sanitary sewer) services, municipal storm sewer services and municipal water services to such property within two (2) years following annexation thereof, provided the property to be annexed is developed pursuant to City ordinances within that two year period. The actual timing, design and scope of providing such services within said time shall remain within the sole discretion of the City. Such services will be provided under the following terms and conditions:
 - i. **Assessment Rates.** Assessment, trunk and/or connection charges to annexed properties will be at the City’s customary rates for improvements of a similar type at the time of connection.

- ii. **Timeline for Connection.** When municipal services are readily available, annexed properties must connect to municipal services on the earliest of the following events:
 - (1) The property owners petition for municipal services;
 - (2) The property is sold or otherwise transferred for purposes other than agricultural;
 - (3) The property's septic system is failing as defined in Minn. Rules Ch. 7080, as amended;
 - (4) State or Federal law requires connection; or
 - (5) Five years have passed since the property was annexed to the City.
- iii. **No Assessments for Utilities Running Past Unannexed Township Property.** The City will not assess or charge unannexed township properties for utilities running in front or alongside those properties unless the properties are connected to the utilities by agreement between the Town and City. To the extent allowed by law, these properties may be subject to deferred assessments payable at the time of the properties' connection to services.
- iv. **City Rights Regarding Utilities.** The City shall have the following rights relating to municipal utilities:
 - (1) The City may pass an ordinance prohibiting installation of new septic systems within City limits.
 - (2) The City may inspect individual septic systems, wells and sewage holding tanks of properties requesting annexation prior to approving the annexation of property into the City.
- v. **New Development with Septic Systems.** The City and Town shall not allow any new residential subdivisions with septic systems to be platted, or commercial or industrial development to occur, within the Orderly Annexation Area boundaries except in areas where it is reasonably certain that services will not be available due to topography or other physical or system limitations. The decision regarding serviceability shall be determined in consultation with the City Engineer.
- vi. **Provisions of Services by the City.** In addition to providing water and

sewer services within Two (2) years after annexation of any part of the OAA, the City shall also immediately provide to the annexed area all other City governmental services as are provided to other parts of the City.

c. **Road issues.**

- i. **Adequate Road Access for Development of Annexed Properties.** The Town and City agree to cooperate between themselves and with Sherburne County to require property owners or real estate developers to provide road access consistent with City standards to annexed properties either prior to, or at the time such properties are improved for development.
- ii. **Existing Town Roads.** The Town shall maintain Town roads in existence at the time of approval of this Joint Resolution until properties abutting both sides of said Town roads are annexed to the City. After properties on both sides of a Town road are annexed, the City shall be responsible to maintain that portion of the road abutted. The level of maintenance shall be determined by the City, but in no event shall be less than the maintenance previously provided by the Town.
- iii. **Development Impact on Town Roads.** Prior to the execution of a joint resolution for annexation of any property within the OAA, any proposed residential, commercial, industrial or institutional development that will impact Town Roads will require an agreement with the developer, the property owners, the Town and the City. Such agreement shall provide requirements to alleviate traffic problems, drainage problems, construction, repair and maintenance problems, bridges, easements and rights-of-way, and any other improvements and maintenance agreements necessary to alleviate adverse impact on Town roads, on adjacent properties, or upon the Township as a whole.
- iv. **Utilities in Town Roads.** The Town will allow the City to locate municipal utilities in Town property, easements and roadways subject only to reasonable regulation by the Town.
- v. **Township Maintenance Services.** The Town agrees that it shall be responsible for normal and regular maintenance of all Town roads, streets, bridges, drainage facilities, and other public rights-of-way now under its jurisdiction within the Orderly Annexation Area prior to annexation thereof. Maintenance of infrastructure within the Orderly Annexation Area by the Town shall be consistent with other standard maintenance practices employed by the Town elsewhere.

d. **Other intergovernmental agreements.**

- i. Limitation of City Annexation. The Parties agree that from the date of the execution of this Joint Resolution until its termination, the City will not solicit, initiate or approve any annexation of Township lands, except for lands described in this Joint Resolution; annexation of any land in the Town that is not included in the OAA can only be accomplished by amendment to this Joint Resolution or by a separate joint resolution.
- e. **Prohibition on Urban Development.** The City and Town agree that all new urbandevelopment within the OAA is prohibited unless the property proposed for such development is first annexed to the City.
 - i. “Urban development”. “Urban development” means a residential, commercial, industrial, institutional, or governmental use, or any mixture thereof, on any land within the Township proposed for development at a density greater than one (1) such use per forty (40)) acres.
 - ii. The City and Township agree that the following urban development may occur within the OAA without first having to be annexed prior to development thereof:
 - (1) Development that does not require municipal sanitary sewer or water services for its operations;
 - (2) Repair, improvement, or limited expansion (no more than an additional 25% of square footage) of structures currently used for residential, commercial, industrial or other urban, non-farm development in existence on the effective date of this Joint Resolution;
 - (3) Utility facilities and farms, whether privately or publicly owned or leased, including, but not limited to, solar, wind or other energy generation resources.
 - (4) Any other use permitted by Sherburne County Zoning Ordinances in Agricultural Districts, provided that such other use or development has been approved by the Joint Planning Board.
- 6. **PLANNING.** Pursuant to Minn. Stat. Sec. 414.0325, subd. 5:
 - a. **Current Land Use Controls Prevail.** Until property is annexed into the City pursuant to this agreement, current land use controls established by the Sherburne County Zoning Ordinance shall govern all properties within the OAA, except as expressly set forth herein.

b. **Joint Planning Board Created.** The parties agree to form a Joint Planning Board (“JPB”), pursuant to Minnesota Statutes Chapter 471.59, to exercise planning and land use control as described in Minn. Stat. § § 462.351 through 462.364, over property in the OAA not yet annexed to the City (“Joint Planning Area” or “JPA”).

- i. **Make-up of Board.** The JPB shall be established to review all development proposals within the JPA. The JPB shall be made up of five (5) representatives, including two (2) from the Town, two (2) from the City and one (1) from the County. Each representative on the JPB shall be appointed by the representative’s governing body (i.e. the Town Board, City Council and Board of Commissioners) on an *ad hoc* basis, and there shall be no set terms of appointment.
- ii. **Zoning and Subdivision Ordinances.** The JPB will have jurisdiction over properties located within the Joint Planning Area for the purposes of the Zoning regulations of Sherburne County. Recommendations of the JPB for development proposals in the JPA shall be forwarded to the City, Town and County as appropriate for approval.
- iii. **State Building Code.** The Minnesota State Building Code shall be extended and enforced upon all development proposals within the JPA.
- iv. **Permit Fees and Distributions.** All Planning and Building permit fees within the JPA shall be established and amended from time to time by the City and Town and paid to the Town under a separate Planning Services Agreement between the City and the Town, which Planning Services Agreement shall be reviewed annually by the City and the Town.
- v. **Staff.** The JPB duties will be administered by the staff of the City and the costs thereof incorporated into the Planning Services Agreement.
- vi. **Retention of Police Powers.** Other than the duties and powers of the JPB, the Town will retain general police powers over the JPA including, without limitation, maintenance and construction of town roads and bridges, the issuance of various permits, the abatement of nuisances, traffic control, and all other police powers.

7. **Tax Rate Step Up.** Pursuant to Minn. Stat. Sec. 414.035, the tax capacity rate applicable to any property within the OAA after annexation shall be increased in substantially equal proportions each year over a period of up to six years following annexation, until such rate equals the tax capacity rate of the City.

- a. **Tax Rates.** The Town and City will cooperate in establishing an equitable tax

structure for newly annexed properties during the first six years following annexation, taking into account whether municipal services are provided by the City in the form of sewer service, storm water systems, public water supply, police, fire and other emergency services. Possibilities include a tiered tax structure with rates determined by utility service availability and emergency services provided.

8. Municipal Reimbursement. Pursuant to Minn. Stat. § 414.036:

- a. **Reimbursement to Towns for lost taxes on annexed property.** Within the OAA, the Parties agree to a rebate of property taxes formerly paid to the Township on any taxable parcel that is annexed.
 - i. Reimbursement of the property taxes to the Town shall be based on the property taxes collected by the Town in the last year it collected taxes on the annexed area, in accordance with Minn. Stat. § 414.036.
 - ii. For each of the five years following annexation, the City shall rebate to the Town a portion of the amount equal to the ad valorem taxes paid to the Town by the parcel owners in the year preceding annexation as follows:

<u>Year</u>	<u>Amount</u>
One	90 percent
Two	70 percent
Three	50 percent
Four	30 percent
Five	10 percent
Six	0 percent
(and thereafter)	0 percent

b. Assessments and Debt.

That pursuant to Minn. Stat. § 414.036 with respect to any special assessment assigned by the Town to the annexed property and any portion of debt incurred by the Town prior to the annexation and attributable to the property to be annexed, but for which no special assessments are outstanding, the City will reimburse the Town in substantially equal payments over a period of not less than two or no more than eight years as agreed by the City and Town at the time of the proposed annexation.

9. **Review and Comment.** The City and the Town agree that upon receipt of any future joint resolution for the annexation of any property within the OAA, passed and adopted by each party, the Office of Administrative Hearings/ Municipal Boundary Adjustments, or its successor, may review and comment, but shall, within thirty (30) days, order the annexation of

said property in accordance with the terms of this resolution.

10. **No Alternation of Boundaries.** The City and Town agree that no alteration of the stated boundaries of the OAA as described in Exhibit A, or of any property therein designated for annexation by future joint resolution, is appropriate, that no consideration by the CALJ, the Office of Administrative Hearings, or its successor agency, is necessary, and that all terms and conditions for annexation are provided for in this Joint Resolution.

11. **Costs Associated with the Orderly Annexation Agreement.** Each party shall pay it's own costs incurred in the negotiation, development and implementation of this Agreement.

12. **Dispute Resolution.** Any dispute between the City and the Town regarding this Agreement, or development proposals arising from this Agreement, shall first be addressed by a joint meeting of the City Council, the Town Board, and the Joint Planning Board, or, in the alternative, by a representative from each entity. Either the City or the Town may declare an impasse in the dispute resolution process and request mediation. The parties agree to mediate disputes which have reached such an impasse before commencing any litigation. In the event that the parties are unable to resolve their differences in mediation, the City or the Town may commence appropriate legal action with each party bearing it's own attorneys' fees and costs.

13. **Severability and Repealer.** All prior resolutions and ordinances of the Town and City, or portions of resolutions and ordinances in conflict with this Resolution, are hereby repealed. If any section of this Joint Resolution and Agreement is held by a court of competent jurisdiction to be unconstitutional or void, the remaining provisions will remain in full force and effect. In the event of litigation, neither the City nor the Town will seek to have any provisions of this Agreement declared null and void. If a court issues an order declaring a portion of this Agreement unconstitutional or void, the parties mutually agree to request of that court reformation of the contract and/or legislation, both actions being for the purpose of reinstating the original intent of this Agreement.

14. **Effective Date.** This Joint Resolution and Agreement is effective upon its adoption by the respective governing bodies of the Town and the City, as provided by law.

15. **Adopt and Enforce Regulations.** The City and Town agree to enact, adopt, and strictly enforce all such resolutions, ordinances, or regulations, as may be or shall be necessary to give full effect to the stipulations contained in this Joint Resolution.

16. **Amendments.** Any amendments to this Joint Resolution and Orderly Annexation Agreement will require adoption and approval by the City and Town.

17. **Termination of Orderly Annexation Agreement.** The parties agree that they will consider potential changes and adjustments to this Agreement on an annual basis. Unless the parties have agreed to an extension, this Agreement shall terminate on 11/21/2029. At least twelve months prior to said date of termination, the City and Town agree to meet and decide on

the terms of an extension to this Agreement. In the event the Town and the City are unable to agree on the terms of an extension, the City and Town shall use good faith efforts toward a mediated extension pursuant to paragraph 12 of this Agreement.

18. **Authorization.** The appropriate officers of the City and the Town are hereby authorized to carry the terms of this Joint Resolution and Agreement into effect.

Adopted by affirmative vote of all the members of the Clear Lake Town Board of Supervisors this 16 day of July, 2019

TOWN OF CLEAR LAKE

By: [Signature]
Chairperson
Board of Supervisors

By: [Signature]
Clerk

Adopted by affirmative vote of the City Council of the City of Clear Lake, this 5 day of August, 2019.

CITY OF CLEAR LAKE

ATTEST:

By: [Signature]
Mayor

By: [Signature]
City Clerk

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EXHIBIT A

GENERAL DESCRIPTIONS OF ORDERLY ANNEXATION AREAS

(Actual Legal Descriptions to Govern)

ZONE 1: State Highway 24 Corridor Area Property Description

That part of Sections 13, 24 and 23, Township 34, Range 30, Sherburne County, Minnesota and that part of Section 18, Township 34, Range 29, Sherburne County, Minnesota lying 500 feet on each side of the centerline of Minnesota State Trunk Highway No. 24 beginning at a point on the centerline of said Highway No. 24, a distance of 500 feet southwesterly of its intersection with the center line of County Highway No. 8; thence Northeasterly along the center line of said Highway No. 24 to intersect the west line of the Northwest Quarter of the Northwest Quarter of said Section 18. The sidelines of said corridors shall be extended to intersect the west and south lines of said Northwest Quarter of the Northwest Quarter and shall be at right angles to said center line at the point of beginning.

ZONE 2: Urban Expansion Property Description

The North Half of the Northwest Quarter of Section 7, Township 34, Range 29, Sherburne County, Minnesota.

The East Half of the Northeast Quarter of Section 12, Township 34, Range 30, Sherburne County, Minnesota.

The East Half of the Southeast Quarter of Section 12, Township 34, Range 30, Sherburne County, Minnesota.

The East Half of the Northeast Quarter of Section 13, Township 34, Range 30, Sherburne County, Minnesota. Except that part lying within 500 feet of the centerline of Minnesota State Trunk Highway No. 24.

The South Half of the Northwest Quarter of Section 18, Township 34, Range 29, Sherburne County, Minnesota. Except that part lying within 500 feet of the centerline of Minnesota State Trunk Highway No. 24.

The South Half of the Northeast Quarter of Section 18, Township 34, Range 29, Sherburne County, Minnesota

The Southwest Quarter of the Northwest Quarter of Section 17, Township 34, Range 29, Sherburne County, Minnesota.

The Northeast Quarter of the Northeast Quarter of Section 18, Township 34, Range 29, Sherburne County, Minnesota.

That part of the Northwest Quarter of the Northeast Quarter of Section 18, Township 34, Range 29, Sherburne County, Minnesota lying northerly of the northerly right of way line of U.S. Highway No. 10.

The East Half of the Southeast Quarter of Section 7, Township 34, Range 29, Sherburne County,

Minnesota.

The Southeast Quarter of the Northeast Quarter of Section 7, Township 34, Range 29, Sherburne County, Minnesota.

ZONE 3: Other Lands Orderly Annexation Property Description

The Southwest Quarter of the Southwest Quarter of Section 5, Township 34, Range 29, Sherburne County, Minnesota.

The South Half of the Southeast Quarter of Section 6, Township 34, Range 29, Sherburne County, Minnesota except the South 75 feet of the West 907.60 feet thereof.

The South Half of the Southwest Quarter of Section 6, Township 34, Range 29, Sherburne County, Minnesota.

The South Half of the Southeast Quarter of Section 1, Township 34, Range 30, Sherburne County, Minnesota.

The West Half of the Northeast Quarter of Section 12, Township 34, Range 30, Sherburne County, Minnesota.

The West Half of the Southeast Quarter of Section 12, Township 34, Range 30, Sherburne County, Minnesota.

The West Half of the Northeast Quarter of Section 13, Township 34, Range 30, Sherburne County, Minnesota. Except that part lying within 500 feet of the centerline of Minnesota State Trunk Highway 24.

The North Half of the Southeast Quarter of Section 13, Township 34, Range 30, Sherburne County, Minnesota. Except that part lying within 500 feet of the centerline of Minnesota State Trunk Highway No. 24

The North Half of the Southwest Quarter of Section 18, Township 34, Range 29, Sherburne County, Minnesota.

The North Half of the Southeast Quarter of Section 18, Township 34, Range 29, Sherburne County, Minnesota.

The North Half of the Southwest Quarter of Section 17, Township 34, Range 29, Sherburne County, Minnesota.

The Southeast Quarter of the Northwest Quarter of Section 17, Township 34, Range 29, Sherburne County, Minnesota.

The North Half of the Northwest Quarter of Section 17, Township 34, Range 29, Sherburne County, Minnesota.

The West Half of the Southwest Quarter of Section 8, Township 34, Range 29, Sherburne County, Minnesota.

The West Half of the Northwest Quarter of Section 8, Township 34, Range 29, Sherburne County, Minnesota.

That part of Sections 13, 14, 23 and 24, Township 34, Range 30, Sherburne County, Minnesota and that part of Section 18, Township 34, Range 29, Sherburne County, Minnesota lying

between 500 feet and 1820 feet on each side of the centerline of Minnesota State Trunk Highway No. 24 beginning at a point on the centerline of said Highway No. 24, a distance of 500 feet southwesterly of its intersection with the center line of County Highway No. 8; thence Northeasterly along the centerline of said Highway No. 24 to intersect the west line of the Southeast Quarter of the Northeast Quarter of said Section 13. The sidelines of said strips paralleling Minnesota State Trunk Highway No. 24 shall be shortened to terminate at their intersection with the West line of the Southwest Quarter of the Northeast Quarter of said Section 13 and the South line of the Northeast Quarter of the Southeast Quarter of said Section 13 and shall be at right angles to said center line at the point of beginning.

That part of Sections 23 and 24, Township 34, Range 30, Sherburne County, Minnesota lying 1820 feet on each side of the centerline of Minnesota State Trunk Highway No. 24 beginning at a point on the centerline of said Highway No. 24, a distance of 500 feet southwesterly of its intersection with the center line of County Highway No. 8; thence southwesterly along said centerline to the thread of the Mississippi River and there terminating.

EXHIBIT B

MAP OF PROPOSED ORDERLY ANNEXATION AREAS

[See map on attached page.]

