

Milona Township

Resolution Number 2009-1

Resolution of the Milona Township Board of Supervisors Discontinued Participation in the Central Lakes Region Sanitary District

WHEREAS, The Board of Supervisors of Milona Township at their regular monthly meeting dated January 5, 2009, and

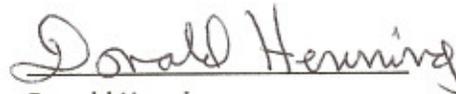
WHEREAS, the Supervisors discussed the continued participation in the Central Lakes Region Sanitary District (CLRSD), and

WHEREAS, the Supervisors decided by vote to discontinue their participation in the CLRSD.

NOW THEREFORE BE IT RESOLVED: That the Milona Township elects to opt out of the CLRSD and the Milona Township Board will work with the CLEER organization, David Rush, Director Douglas County Land Resource Management, Lake Irene Lake Association and Lake Milona Lake Association towards the improvement of on-site septic systems within the Township of Milona.

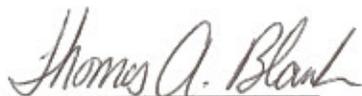
Adopted by the Milona Township Board of Supervisors this 5th day of January, 2009 by the following vote:

Supervisor	YES	NO	ABSENT
Donald Henning	XXX		
Jerome Haggemiller		XXX	
Gary Anderson	XXX		



Donald Henning
Chair, Milona Township Board of Supervisors

ATTEST:



Thomas A Blank
Clerk, Milona Township

Milona Township

Resolution Number 2009-2

Resolution of the Milona Township Board of Supervisors Requesting Detachment of Certain Real Estate Parcel from the Central Lakes Region Sanitary District

WHEREAS, The Board of Supervisors of Milona Township has found that it is not in the best interests of some citizens and land owners of the township to be included in the Central Lakes Region Sanitary District (CLRSD), and

WHEREAS, an area within a district may be detached from the district pursuant to a resolution of the Board, and

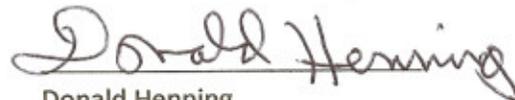
WHEREAS, the Supervisors of the Milona Township Board find that it is a deterrent for some land parcels to be included in the CLRSD to preserve the rural nature of the township, and

WHEREAS, the Supervisors of the Milona Township Board find that it is an unjustified tax burden for some land parcels to be included in the CLRSD

NOW THEREFORE BE IT RESOLVED: That the Milona Township Board of Supervisors requests that the Board of the Central Lakes Region Sanitary District take all action necessary to detach the following real estate: The South Half of the Southeast Quarter, Section 32, Township 130 North, Range 37 West, Douglas County, Minnesota; identified as County Tax Parcel No. 42-0725-000.

Adopted by the Milona Township Board of Supervisors this 2nd day of February, 2009 by the following vote:

Supervisor	YES	NO	ABSENT
Donald Henning	XXX		
Jerome Haggemiller	XXX		
Gary Anderson	XXX		



Donald Henning
Chair, Milona Township Board of Supervisors

ATTEST:



Thomas A Blank
Clerk, Milona Township

Minnesota Public Facilities Authority
Small Community Wastewater Treatment Program
Technical Assistance Grant
RESOLUTION NO. 2009-03

RESOLUTION AUTHORIZING THE Miltona Township TO SUBMIT A SMALL COMMUNITY WASTEWATER TREATMENT PROGRAM TECHNICAL ASSISTANCE GRANT APPLICATION TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY (PFA).

WHEREAS, under the provisions contained in Minnesota Laws 2007, Chapter 96, Section 9, the 2007 Legislature amended the Small Community Wastewater Treatment Program under MS 446A.075 and appropriated funds for this program, and;

WHEREAS the Miltona Township is hereby applying to the Minnesota Public Facilities Authority for a funds to be used for eligible costs for eligible technical assistance costs, and;

WHEREAS, the Miltona Township has the legal authority to apply for the funds.

NOW, THEREFORE BE IT FURTHER RESOLVED that Miltona Township is hereby authorized to submit a Small Community Technical Assistance Grant application to the Minnesota Public Facilities Authority and **Gary Anderson, Chairperson** and **Thomas Blank, Clerk** are authorized to sign the Small Community Technical Assistance Grant Agreement.

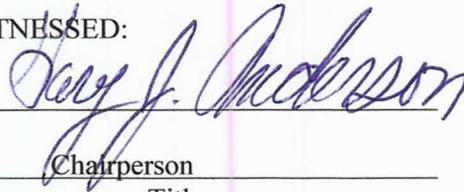
I CERTIFY THAT the above resolution was adopted by the **Miltona Township Board of Supervisors** on **April 6, 2009**.

SIGNED:



Clerk, Miltona Township
Title

WITNESSED:



Chairperson
Title

Date: April 6, 2009

Date: April 6, 2009

S E A L

RESOLUTION 2009-4
ADOPTING THE MINNESOTA TOWNSHIPS
GENERAL RECORDS RETENTION SCHEDULE

WHEREAS, the town has possession of, and continues to receive, a wide range of records in the normal course of conducting the town's business;

WHEREAS, the retention of records in the town's possession are regulated by Minn. Stat. § 138.17, which prohibits the destruction of records unless the town has adopted the records retention schedule and destroys the records according to the procedures and schedule mandated by the statute; and

WHEREAS, the town board desires to comply with the requirements of the records retention law and to manage the town's records in an efficient and appropriate way, including being able to destroy records that no longer need to be retained under the schedule;

NOW, THEREFORE, BE IT RESOLVED, that the town board of Miliona Township Township, Douglas County, Minnesota hereby adopts the Minnesota Township General Records Retention Schedule for the management and destruction of the records in the town's possession; and

BE IT FINALLY RESOLVED, that the town board will send notice of its decision to adopt the schedule to the Government Records Archivist at the Minnesota Historical Society on the form provided for such notification.

Adopted this sixth day of April, 2009.

BY THE BOARD

Gary Anderson
Town Chairperson

Attest:

Thomas A. Blal
Town Clerk

Resolution Number 2009-6

**Resolution of the Miltona Township Board Requesting Renewal of 3.2 Liquor License for Bruce J Lien
DBA Miltona Outpost**

WHEREAS, Bruce J Lien, DBA Miltona Outpost Inc located in the township of Miltona requests a 3.2 Liquor License renewal, and

WHEREAS, the County Auditor and Sheriff have both signed off on the license, and

WHEREAS, the Miltona Township Board finds no reason to deny such request.

NOW THEREFORE BE IT RESOLVED: That the Miltona Township approves this renewal for the current period of the application.

Adopted this 4th day of May 2009 by the following vote:

YES JORNE HAGENMILLER, ANDY ANDERSON, KEITH BROWN

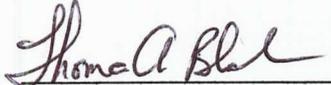
NO _____

Absent or not voting _____



Chair, Miltona Township

ATTEST



Clerk, Miltona Township

Clerk, Miltona Township

Resolution Number 2009-7

Resolution of the Miltona Township Board Requesting Renewal of 3.2 Liquor License for ~~Bruce J Lien~~

JASON BOUS (TAP)

~~DBA Miltona Outpost~~

DBA Jim & Judy (TAP)

JASON BOUS (TAP)

WHEREAS, ~~Bruce J Lien~~, DBA Miltona Outpost Inc located in the township of Miltona requests a 3.2 Liquor License renewal, and

WHEREAS, the County Auditor and Sheriff have both signed off on the license, and

WHEREAS, Miltona Township Board finds no reason to deny such request.

NOW THEREFORE BE IT RESOLVED: That the Miltona Township approves this renewal for the current period of the application.

Adopted this 4th day of May 2009 by the following vote:

YES Anny Anderson, Jerone Haggemiller, Keith Balow

NO _____

Absent or not voting _____

Gay Anderson
Chair, Miltona Township

ATTEST

Thomas A. Blal

Clerk, Miltona Township

RESOLUTION NO. 2009-8

**DECLARING THE OFFICIAL INTENT OF THE
TOWN OF MILTONA, MINNESOTA
TO REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF BONDS
TO BE ISSUED BY THE TOWN**

WHEREAS, the Internal Revenue Service has promulgated Treasury Regulations, Section 1.150-2, providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and

WHEREAS, the Town of Miltona (the "Town") expects to incur certain expenditures which may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of issuance of tax-exempt bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF MILTONA, AS FOLLOWS:

1. The Town reasonably intends to make expenditures for the project described in Exhibit A (the "Project"), and reasonably intends to reimburse itself for such expenditures from the proceeds of debt to be issued by the Town in the maximum principal amount described in Exhibit A.
2. The Town Board Chair is authorized to designate appropriate additions to Exhibit A in circumstances where time is of the essence, and any such designation shall be reported to the Town Board at the earliest practicable date and shall be filed with the official books and records of the Town.
3. This resolution is intended to constitute a declaration of official intent for purposes of Treasury Regulations, Section 1.150-2 and any successor law, regulation, or ruling.

Adopted by the Miltona Town Board of Supervisors this 3rd day of August, 2009.

By the following vote:

Gary Anderson	Yes
Jerome Haggemiller	Yes
Keith Baldwin	Yes

ATTEST: Thomas A. Blank
Thomas A. Blank, Town Clerk

Gary Anderson
Gary Anderson, Town Chair

EXHIBIT A
TO OFFICIAL INTENT RESOLUTION
ADOPTED August 3, 2009

<u>Date of Declaration</u>	<u>Description of Project</u>	<u>Maximum Principal Amount of Debt to Reimburse Project Costs</u>
August 3, 2009	Cost associated with Central Lakes Region Sanitary District	\$ 1,397,740.00
<u>Total Principal Amount of Bonds to be issued:</u>		\$ 1,397,740.00

RESOLUTION NO. 2009-9

RESOLUTION OF THE MILTONA TOWNSHIP, DOUGLAS COUNTY, MINNESOTA, BOARD OF SUPERVISORS, CONSENTING TO 2009 MINNESOTA LAWS CHAPTER 44 (SF1489, Legislative Session 86, Revisor Number: 09-2583), GRANTING CERTAIN AUTHORITIES AND PROVIDING FOR THE DISSOLUTION OF THE CENTRAL LAKES REGION SANITARY DISTRICT.

WHEREAS, the Town Board has adopted a resolution to withdraw from the Central Lakes Region Sanitary District; and

WHEREAS, the Central Lakes Region Sanitary District seeks to wind up its affairs and dissolve; and

WHEREAS, the special legislation described above facilitates the Township's withdrawal, the Central Lakes Region Sanitary District's dissolution, and the Township's exercise of its responsibilities during the District's dissolution,

NOW, THEREFORE, BE IT RESOLVED the Board hereby consents to 2009 Minnesota Laws Chapter 44, and the Town Clerk is hereby authorized and directed to sign a "Certificate of Approval of Special Law by Governing Body" on behalf of the Board.

Adopted this 1st day of June, 2009 by the following vote:

YES: Haggenmiller, Baldwin, Anderson

NO: ---

ABSENT/ABSTAIN: ---

Miltona Township

By


Town Board Chair

Attest:


Town Clerk

**Resolution # 2009-10
Town of Miliona**

**Resolution for Debt Servicing and Allocation of Costs Related to Central Lakes
Region
Sanitary District (CLRSD)**

WHEREAS, Miliona Township (the "Town") is currently a member of the Central Lakes Region Sanitary District (hereinafter CLRSD); and

WHEREAS, the Town's Board of Supervisors (the "Board") exercised its right to withdraw from CLRSD by resolution #2009-1 dated January 5, 2009, received by CLRSD Chair on January 6, 2009, for an effective date of January 9, 2011; and

WHEREAS, the Board has received written notice from Attorney John Kolb, attorney for CLRSD, of CLRSD costs allocated to the Town pursuant to CLRSD Resolution D-2009-06, Affirming Method of Allocation of Costs and Directing Notice of Allocation, consistent with Section 8 of Laws 2003, Chapter 127 (the "Enabling Legislation") in the amount of \$1,397,740.00 payable by November 1, 2009 (the "CLRSD Cost Allocation"); and

WHEREAS, the Board, with the advice of its legal counsel, has determined that the Town is obligated to pay said CLRSD Cost Allocation by November 1, 2009; and

WHEREAS, the Board, with the advice of its legal counsel, has considered various alternatives for payment of said obligation consistent with the Enabling Legislation and Laws 2009, Chapter 44; and

WHEREAS, the Board has held multiple open meetings to share and gather input from affected landowners and interested parties.

The Board makes the following FINDINGS:

1. Protecting the lake water and managing sewer systems within the Town provides benefit to all real properties within the Town. However, the primary intended purpose and anticipated benefit for which the above-referenced costs were incurred was for the real properties in the CLRSD designated area as currently defined within the Town (the "CLRSD Area").
2. CLRSD has established a precedent of levying ad valorem taxes against properties in the CLRSD Area to fund its annual operating expenses. However, the Town's original intent when joining CLRSD was that all taxable parcels within the CLRSD Area would be charged a set fee (the "Fee") for costs associated with CLRSD, with adjustments by the Board only when found necessary for reasons of fair and equitable application.

3. The Town has paid and continues to pay administrative and legal costs associated with CLRSD (the "Administrative Costs") from the Town's general funds, which are available to the Town through the collection of ad valorem taxes on all taxable property in the Town.
4. The Town's general funds are currently insufficient to pay the entire CLRSD Cost Allocation, and use of all available general funds for partial payment of the CLRSD Cost Allocation would reduce the availability of such funds for other necessary Town projects. Therefore, the Board finds that it is necessary and desirable to finance the CLRSD Cost Allocation through the issuance of bonds, and to pay debt service on said bonds as permitted pursuant to the Enabling Legislation and Laws 2009, Chapter 44.
5. Only the levy of ad valorem taxes to pay the CLRSD Cost Allocation would potentially allow property owners to qualify for a property tax refund. However, potential property tax refunds are subject to change or elimination by the state of Minnesota.
6. Spreading the CLRSD Cost Allocation equally by the collection of the Fee through the levy of special charges (the "Special Charges") against taxable parcels within the CLRSD Area will best avoid the wide variations in ad valorem taxes paid by individual property owners. The Board has considered and adjusted the Fee when found necessary for reasons of fair and equitable application, as described hereinafter.
7. The Board has worked with the Town's field assessor to identify parcels within the CLRSD Area that contain multiple seasonal rental dwellings (the "Resort Parcels"), that contain multiple owner-occupied dwellings (the "Condominium Parcels") or that have been documented as unbuildable (the "Unbuildable Parcels"). The Board has determined that the most fair and equitable method of spreading the CLRSD Cost Allocation among such parcels is to charge a single Fee for each Resort Parcel, to charge a single Fee per owner-occupied dwelling on Condominium Parcels, and to charge no Fee for any Unbuildable Parcels.
8. The Condominium Parcels and the total number of Fees to be charged against these parcels are as follows:

Parcel ID Number	Owner	Total Fees Charged
42-0385-000	Miltona Beach Properties Inc.	29
42-0381-800	Tamarac Bay Corp. Inc.	25
42-0800-200	Miltona Bay Estates Inc.	34
42-0721-000	Missouri Angling Club	19

9. The Unbuildable Parcels for which no Fee will be charged are as follows:

Parcel Identification Number	Owner
42-0287-000	Smokey Timbers Foundation
42-0288-000	Public Road
42-0295-000	Public Road
42-0296-100	Miltona Lakeview Estates
42-0332-000	Smokey Timbers Foundation
42-0333-999	Public Road
42-0338-869	Public Road
42-0374-800	State of Minnesota
42-0376-999	Public Road
42-0446-900	Public Road
42-0454-000	Public Road
42-0460-499	Public Road
42-0468-000	Mount Calvary Lutheran
42-0513-999	Public Road
42-0516-120	Public Road
42-0519-999	Public Road
42-0640-070	Maple's Edge Estates Assoc.
42-0640-999	Public Road
42-0786-000	Minnesota Dep't of Natural Resources
42-0814-375	Public Road
42-0814-425	Parview Estates Townhomes
42-0939-210	Miltona Developers Inc.
42-0530-000	Klatke/John W. & Rita A.
42-0803-000	Steidl/Theodore P. & Norma J.
42-0812-000	Steidl/Theodore P. & Norma J.
42-0814-175	Blank/Thomas A. & Patrice L.
42-0896-000	Zacher/Benedict J. & Carol J.
42-0425-000	Lake Miltona Association
42-0415-000	Whiteoak/Randy Lee

10. It is most equitable, considering the balance of interests of all Town members, to (a) continue to pay the Administrative Costs with the Town's general funds; (b) pay up to \$200,000.00 of the CLRSD Cost Allocation from available Town funds; (c) finance the remaining CLRSD Cost Allocation of approximately \$1,197,740.00 through the issuance of the Town's General Obligation Bonds (the "Bonds"); (d) seek payment of the principal amount of the Bonds through the collection of Special Charges on parcels within the CLRSD Area as described above, and seek payment of the interest on the Bonds through the levy of ad valorem taxes on all taxable parcels within the Town; and (e) spread collection of the Special Charges and ad valorem taxes equally over a period of five (5) years.

11. The Board hereby finds that prepayment of the Fee by CLRSD Area landowners should be permitted within certain parameters, as more fully described hereinafter. The principal amount of the Bonds will be reduced in the amount of any prepayments received.

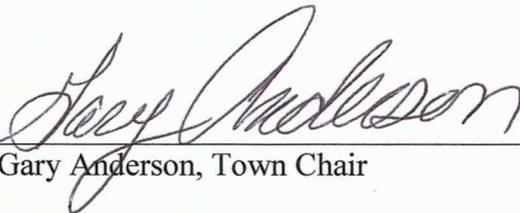
NOW THEREFORE, THE TOWN BOARD OF SUPERVISORS OF THE TOWN OF MILTONA HEREBY RESOLVE THAT:

1. All Administrative Costs incurred by the Town and paid through general funds shall remain as paid through said general funds without reimbursement from other sources.
2. The Board shall take all necessary actions to issue the Bonds in an approximate principal amount of \$1,197,740.00, representing the CLRSD Cost Allocation less up to \$200,000 to be paid from the Town's general funds and subject to adjustment downwards in the case of any prepayments as described herein, and (a) to pay the principal of the Bonds through the collection of Special Charges levied against the parcels within the CLRSD Area listed in the attached Exhibit A (subject to adjustment in the case of prepayments as described below), and (b) to pay the interest on the Bonds through the collection of ad valorem taxes levied against all taxable property in the Town. Such Special Charges and ad valorem taxes shall be spread upon the tax rolls and collected by the Douglas County Auditor and paid to the Town in equal installments over a period of five years, commencing in taxes-payable year 2010.
3. Owners of taxable parcels within the CLRSD Area may prepay their Fee. All prepayments must be made in accordance with the following parameters:
 - (a) Prepayments must be in the amount of the entire principal amount of the Fee.
 - (b) No Special Charge shall be levied against a parcel that prepays its Fee if the prepayment is received by the Miltona Town Clerk prior to October 1, 2009.
4. Costs incurred in issuing the Bonds shall be paid from the Town's general funds.
5. The Town Clerk is authorized and directed to amend Exhibit A as necessary to incorporate any prepayment of Fees and to file this resolution with the Douglas County Auditor. Such filing shall constitute the Town's official certification of the Special Charges to be collected.

Adopted by the Miliona Town Board of Supervisors this 8th day of September, 2009.

By the following vote

Gary Anderson
Jerome Haggemiller
Keith Baldwin



Gary Anderson, Town Chair

ATTEST: 

Thomas A Blank, Town Clerk

Milona Township Resolution Number 2009-11

Resolution for the Transfer of Funds from Surplus Fund Balances to Fund Balance with Shortfall

WHEREAS, The Board of Supervisors of Milona Township met at their reconvened monthly meeting, September 29, 2009, and

WHEREAS, during the past monthly and special meetings, the Supervisors have discussed the need to use General Funds of up to \$200,000, to reduce the principal amount of the general obligation bond (the "Bond") needed to pay off the Town's allocation of costs from the Central Lakes Region Sanitary District ("CLRSD Cost Allocation"), and

WHEREAS, the Supervisors have reviewed the current year revenues and expenditures and anticipated revenues and expenditures for the remaining three months of 2009, as well as historical data in the Fund Balance Accounts of the Township, and

WHEREAS, the Supervisors have reviewed the Fund Balances of the Township and determined that the Road Fund and the Fire Fund have a surplus balances of \$50,000 and \$75,000 respectively, while the General Fund has a shortfall of \$125,000.

NOW THEREFORE BE IT RESOLVED: That the Milona Township Board of Supervisors, through its analysis of current Fund Balances and a history of expenditures and revenues, authorizes and directs the Town Treasurer to transfer \$50,000 from the Road Fund to the General Fund and to transfer \$75,000 from the Fire Fund to the General Fund, and to pay \$150,000 of the CLRSD Cost Allocation from the General Fund, thereby reducing the principal amount of the Bond to \$1,247,740.00.

Adopted by the Milona Township Board of Supervisors this 29th day of September, 2009 by the following vote:

Supervisor	YES	NO	ABSENT
Gary Anderson	XXX		
Jerome Hagenmiller	XXX		
Keith Baldwin	XXX		



Gary Anderson, Chair Milona Township Board

Attest:



Thomas A Blank
Clerk, Milona Township

Extract of Minutes of Meeting of the
Town Board of the Town of Miltona
Douglas County, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the Town Board of the Town of Miltona, Minnesota, was duly held in the Town Hall in the City of Miltona on Monday, October 5, 2009, commencing at 7:00 P.M.

The following members were present:

GARY ANDERSON, KEITH BALDWIN

and the following were absent:

JEROME HAGGNUM

The Chair announced that the next item of business was the consideration of a proposal for the purchase of \$1,247,740 General Obligation Sanitary District Bond of 2009 of the Town.

The Town Clerk presented an offer of First State Bank of Alexandria, Alexandria, Minnesota to purchase the Bonds that had been submitted to the Town pursuant to Board direction.

After due consideration of the proposal, Boardmember KEITH BALDWIN introduced the following resolution, and moved its adoption:

RESOLUTION NO. 2009-12

A RESOLUTION AWARDING THE SALE OF \$1,247,740
GENERAL OBLIGATION SANITARY DISTRICT
BOND OF 2009
FIXING ITS FORM AND SPECIFICATIONS;
DIRECTING ITS ISSUANCE AND DELIVERY;
AND PROVIDING FOR ITS PAYMENT

BE IT RESOLVED By the Town Board of the Town of Miltona, Douglas County, Minnesota (the "Town") as follows:

Section 1. Background: findings.

1.01. The Town is currently a member of the Central Lakes Region Sanitary District ("CLRSD"), a joint powers sanitary district created pursuant to Minnesota Laws 2003, Chapter 127.

1.02. The member towns of CLRSD, including the Town, have determined that the costs to construct and maintain a CLRSD sewer system serving the CLRSD member communities are unacceptably high, and have determined to dissolve CLRSD pursuant to Minnesota Laws 2009, Chapter 44.

1.03. The Town Board has received written notice from CLRSD that pursuant to CLRSD Resolution D-2009-06, Affirming Method of Allocation of Costs and Directing Notice of Allocation, dated May 7, 2009, as part of the process of dissolution, CLRSD has allocated a portion of its outstanding costs (the "CLRSD Costs") in the principal amount of \$1,397,740 to the Town, which CLRSD Costs are payable to CLRSD by November 1, 2009.

1.04. The Town Board is authorized by Minnesota Laws 2003, Chapter 127 and Minnesota Laws 2009, Chapter 44, as well as Minnesota Statutes, Chapter 475 (together, the "Act"), to finance all or a portion of the CLRSD Costs by the issuance of general obligation bonds of the Town payable from special charges levied against all taxable parcels within the geographic area of CLRSD located within the Town (the "CLRSD Area"), and ad valorem taxes levied against all taxable property in the Town as determined by the Town Board in its Resolution No. 2009-10, dated September 8, 2009.

1.05. It is determined that it is necessary and desirable for the sound financial management of the Town that the Town issue and sell its General Obligation Sanitary District Bond of 2009 (the "Bond") pursuant to the Act to finance a portion of the CLRSD Costs.

1.06. The Town ratifies the actions of the Town Clerk in retaining Ehlers & Associates, Inc. as an independent financial advisor for the purpose of reviewing the pricing fairness associated with the purchase of the Bond. It being thus determined that the Town has retained an independent financial adviser in connection with the sale, the Town is authorized by Minnesota Statutes, Section 475.60, subdivision 2(9) to negotiate the sale of the Bond. The actions of the Town staff in negotiating such sale are ratified and confirmed in all aspects.

Section 2. Sale of Bond.

2.01. The offer of First State Bank of Alexandria, Alexandria, Minnesota (the "Purchaser") to purchase the Bond is found to be a reasonable offer and is accepted, the

offer being to purchase the Bond at a price of \$1,247,740 for a Bond bearing interest at the rate of 3.25% per annum to maturity.

2.02. The Town will forthwith issue and sell the Bond to the Purchaser in the total principal amount of \$1,247,740. The Bond will be originally dated as of date of delivery, in the denomination of \$1,247,740 and will mature on February 1 and August 1, on the dates and in the installment amounts as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
8/01/2010	\$106,464.90	\$30,885.84	\$137,350.74
2/01/2011	118,652.59	18,698.15	137,350.74
8/01/2011	120,869.71	16,481.03	137,350.74
2/01/2012	122,576.82	14,773.92	137,350.74
8/01/2012	124,723.82	12,626.92	137,350.74
2/01/2013	126,628.48	10,722.26	137,350.74
8/01/2013	128,844.10	8,506.64	137,350.74
2/01/2014	130,814.03	6,536.71	137,350.74
8/01/2014	133,028.87	4,321.87	137,350.74
2/01/2015	135,136.68	2,214.02	137,350.70

2.03 Optional Redemption. The Town may elect on any day to prepay the Bond. Redemption may be in whole or in part, at a price of par plus accrued interest.

Section 3. Registrations.

3.01. Registered Form. The Bond will be issued as one typewritten bond, numbered R-1 only in fully registered form. The interest thereon and, upon surrender of the Bond, the principal amount thereof, will be payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. The Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case such Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case such Bond will be dated as of the date of original issue. The interest on the Bond will be payable on February 1 and August 1 of each year, commencing August 1, 2010, to the owner of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

3.03. Registration. The Town appoints the Town Treasurer as bond registrar (the "Registrar"). The effect of registration and the rights and duties of the Town and the Registrar with respect thereto will be as follows:

(a) Register. The Registrar will keep a bond register in which the Registrar will provide for the registration of ownership of the Bond and the registration of transfers and exchanges of the Bond.

(b) Transfer of Bond. Upon surrender for transfer of the Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will deliver, in the name of the designated transferee or transferees, a new Bond of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bond. Whenever the Bond is surrendered by the registered owner for exchange the Registrar will deliver a new Bond of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. The Bond, if surrendered upon a transfer or exchange, will be promptly cancelled by the Registrar and thereafter disposed of as directed by the Town.

(e) Improper or Unauthorized Transfer. When the Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The Town and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for every transfer or exchange of Bonds, sufficient to reimburse the

Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bond. In case the Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the Town and the Registrar will be named as obligees. All Bonds so surrendered to the Registrar will be cancelled by it and evidence of such cancellation will be given to the Town. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it will not be necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any installment amount of the Bond is called for redemption, notice thereof identifying the installment amount to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of the Bond at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of the Bond. Installments of the Bond so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

3.04. Execution and Delivery. The Bond will be prepared under the direction of the Town Clerk and will be executed on behalf of the Town by the signatures of the Chair and the Town Clerk. In case any officer whose signature or a facsimile of whose signature will appear on the Bond will cease to be such officer before the delivery of the Bond, such signature will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. When the Bond has been so prepared and executed the Town Treasurer will deliver the same to the Purchaser thereof upon payment of the purchase price and the Purchaser will not be obligated to see to the application of the purchase price.

Section 4. Form of Bond.

4.01. The Bond will be printed or typewritten in substantially the following form:

No. R-1

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF DOUGLAS
TOWN OF MILTONA

\$1,247,740

GENERAL OBLIGATION SANITARY DISTRICT BOND OF 2009

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>
3.25%	February 1, 2015	October 27, 2009

Registered Owner: FIRST STATE BANK OF ALEXANDRIA, Alexandria, Minnesota

Principal Amount: ONE MILLION TWO HUNDRED FORTY SEVEN THOUSAND SEVEN HUNDRED FORTY DOLLARS

The Town of Miltona, Minnesota, a duly organized and existing public corporation and political subdivision in Douglas County, Minnesota (the "Town"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on February 1 and August 1 in the years and installment amounts as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
8/01/2010	\$106,464.90	\$30,885.84	\$137,350.74
2/01/2011	118,652.59	18,698.15	137,350.74
8/01/2011	120,869.71	16,481.03	137,350.74
2/01/2012	122,576.82	14,773.92	137,350.74
8/01/2012	124,723.82	12,626.92	137,350.74
2/01/2013	126,628.48	10,722.26	137,350.74
8/01/2013	128,844.10	8,506.64	137,350.74
2/01/2014	130,814.03	6,536.71	137,350.74
8/01/2014	133,028.87	4,321.87	137,350.74
2/01/2015	135,136.68	2,214.02	137,350.70

with interest thereon from the date hereof at the annual rate specified above, payable February 1 and August 1 in each year, commencing August 1, 2010. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the Town have been and are hereby irrevocably pledged.

Optional Redemption. The Town may elect on any day to prepay the Bond. Redemption may be in whole or in part. Prepayments will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of \$1,247,740 all of like original issue date and tenor issued pursuant to a resolution adopted by the Town Board on October 5, 2009 (the "Resolution"), for the purpose of providing money to defray the expenses incurred in establishing and dissolving a sanitary district serving the Town, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Laws 2003, Chapter 127 and Laws 2009, Chapter 44, and the principal hereof and interest hereon are payable primarily from special charges against property in the geographic borders of said sanitary district located within the Town and from ad valorem taxes levied against all taxable property in the Town, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the Town are irrevocably pledged for payment of this Bond and the Town Board has obligated itself to levy additional ad valorem taxes on all taxable property in the Town in the event of any deficiency in special charges and taxes pledged, which taxes may be levied without limitation as to rate or amount. The Bond of this series is issued only as fully registered Bond in the denomination of \$1,247,740.

The Town Board has designated the issue of Bonds of which this Bond forms a part, as a "qualified tax exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue code of 1986, as amended (the "Code") relating to disallowance of interest expense for financial institutions and within the \$30 million limit allowed by the Code for the calendar year of issue.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Town at the principal office of the Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the Town will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The Town and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the Town nor the Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order

to make it a valid and binding general obligation of the Town in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the Town to exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the Town of Miltona, Douglas County, Minnesota, by its Town Board, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Chair and Town Clerk and has caused this Bond to be dated as of the ____ day of _____, 2009.

TOWN OF MILTONA, MINNESOTA

(Facsimile)
Town Clerk

(Facsimile)
Chair

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Bond is registered in the bond register of the Registrar, in the name of the person last listed below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Town Treasurer</u>
_____	First State Bank of Alexandria Alexandria, Minnesota Federal ID # _____	_____

Section 5. Payment: Security.

5.01. The Bond will be payable from the General Obligation Sanitary District Bond of 2009 Debt Service Fund (the "Debt Service Fund") hereby created, and the proceeds of special charges (the "Special Charges") and ad valorem taxes (the "Taxes") levied or to be levied for the CLRSD Costs financed by the Bond are hereby pledged to the Debt Service Fund.

If any payment of principal or interest on the Bond becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the Treasurer will pay such principal or interest from the general fund of the Town, and the general fund may be reimbursed for such advances out of the proceeds of Special Charges when collected.

5.02. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Bond, there is levied a direct annual irrepealable ad valorem tax (the “Taxes”) upon all of the taxable property in the Town, which will be spread upon the tax rolls and collected with and as part of other general taxes of the Town. The taxes will be credited to the Debt Service Fund above provided and will be in the years and amounts as follows (year stated being year of collection:

<u>Year</u>	<u>Levy</u>
2010	\$59,304
2011	\$44,989
2012	\$37,084
2013	\$28,778
2014	\$20,272

5.03. Certification to County Auditor as to Debt Service Fund Amount. It is hereby determined that the estimated collections of Special Charges and the foregoing Taxes will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Bond. The tax levy herein provided is irrepealable until all of the Bond is paid, provided that at the time the Town makes its annual tax levies the Town Clerk may certify to the County Auditor of Douglas County the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

Section 6. Tax Covenant.

6.01. The Town covenants and agrees with the holders from time to time of the Bond that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bond to become subject to taxation under the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury regulations, as presently existing or as hereafter amended and made applicable to the Bonds.

6.02. (a) The Town will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bond under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bond, and the rebate of excess investment earnings to the United States, if the Bond (together with other

obligations reasonably expected to be issued in calendar year 2009) exceed the small-issuer exception amount of \$5,000,000.

(b) For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the Town finds, determines and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Town (and all subordinate entities of the Town) during the calendar year in which the Bond is issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

6.03. The Town further covenants not to use the proceeds of the Bond or to cause or permit them or any of them to be used, in such a manner as to cause the Bond to be a “private activity bond” within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. In order to qualify the Bond as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code, the Town makes the following factual statements and representations:

(a) the Bond is not a “private activity bond” as defined in Section 141 of the Code;

(b) the Town hereby designates the Bond as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, that are not qualified 501(c)(3) bonds) which will be issued by the Town (and all subordinate entities of the Town) during calendar year 2009 will not exceed \$30,000,000; and

(d) not more than \$30,000,000 of obligations issued by the Town during calendar year 2009 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. The Town will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Authentication of Transcript.

7.01. The officers of the Town are hereby authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bond, certified copies of proceedings and records of the Town relating to the Bond and to the financial condition and affairs of the Town, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bond and such instruments, including

any heretofore furnished, will be deemed representations of the Town as to the facts stated therein.

7.02. It is determined that no comprehensive Official Statement or offering material has been prepared or circulated by the Town in connection with the sale of the Bond and that the Town is relying on the investment representation of the Purchaser in an investment letter of even date now on file with the Town Clerk.

Section 8. Continuing Disclosure.

8.01. Participating underwriters need not comply with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), because the Bond qualifies for the exemption to such Rule pursuant to Section 15c2-12(d)(1)(i) of the Rule. Consequently, the Town will not enter into any undertaking to provide continuing disclosure of any kind with respect to the Bond.

Section 9. Defeasance.

9.01. When the Bond and all interest thereon, have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bond will cease, except that the pledge of the full faith and credit of the Town for the prompt and full payment of the principal of and interest on the Bond will remain in full force and effect. The Town may discharge the Bond which is due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

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The motion for adoption was duly seconded by Boardmember GARY ANDERSON, and, upon vote being taken thereon, the following members voted in favor:

KETH BALDWIN , GARY ANDERSON

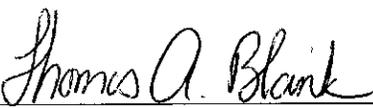
and the following voted against:

whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
)
COUNTY OF DOUGLAS)
)
TOWN OF MILTONA)

I, the undersigned, being the duly qualified and acting Clerk of the Town of Miltona, Douglas County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the Town Board held on Monday, October 5, 2009, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes insofar as they relate to the issuance and sale of \$1,247,740 General Obligation Sanitary District Bond of 2009, of the Town.

WITNESS My hand officially as such Town Clerk Town this 5th day of October, 2009.



Town Clerk
Town of Miltona, Minnesota

STATE OF MINNESOTA

COUNTY OF DOUGLAS

COUNTY AUDITOR'S
CERTIFICATE AS TO
TAX LEVY AND
REGISTRATION

I, the undersigned County Auditor of Douglas County, Minnesota, hereby certify that a certified copy of a resolution adopted by the governing body of the Town of Milona, Minnesota, on October 5, 2009, levying taxes for the payment of \$1,247,740 General Obligation Sanitary District Bond of 2009, of said municipality dated as of date of delivery, has been filed in my office and said bonds have been entered on the register of obligations in my office and that such tax has been levied as required by law.

WITNESS My hand and official seal this 13th day of October, 2009.



County Auditor
Douglas County, Minnesota

(SEAL)

Deputy