City of East Bethel
City Council Agenda

Regular Council Meeting – 7:30 p.m.
Date: November 17, 2010

	Item		
7:30 PM	**1.0**	**Call to Order**	
7:31 PM	**2.0**	**Pledge of Allegiance**	
7:32 PM	**3.0**	**Adopt Agenda**	
7:33 PM	**4.0**	**Reports/Presentations**	
Page 1-3	A.	Sheriff's Monthly Report	
Page 5-11	B.	2011 Contract with Anoka County for Sheriff Services	
Page 12	C.	Anoka County Highway Department CMAQ Grant and Metro Transit District	
Page 13-38	D.	Resolution 2010-66 G.O. Utility Revenue Bonds RZED 2010 Series A	
Page 39-64	E.	Resolution 2010-67 G.O. Utility Revenue Bonds BABS 2010, Series B	
Page 65-88	F.	Resolution 2010-68 G.O. Utility Revenue Bonds 2010, Series C	
9:00 PM	**5.0**	**Public Forum**	
9:10 PM	**6.0**	**Consent Agenda**	
	Any item on the consent agenda may be removed for consideration by request of any one Council Member and put on the regular agenda for discussion and consideration.		
Page 92-96	A.	Approve Bills	
Page 97-105	B.	Meeting Minutes, November 3, 2010 Regular Meeting	
Page 106	C.	Meeting Minutes, November 10, 2010 Canvass Election Results	
Page 107-109	D.	Resolution 2010-69 Declaring Commission Vacancies	
Page 110-111	E.	Resolution 2010-70 Delinquent Charges Certification	
Page 112-116	F.	Wetland Replacement Credit Purchase – Booster Park/Cedar Creek Trail	
Page 117-118	G.	Resolution 2010-71 Norlyn Farms Warranty Letter of Credit Release	
Page 119-129	H.	MCES Service Agreement	
	New Business		
	7.0	**Commission, Association and Task Force Reports**	
9:15 PM	A.	Planning Commission	
Page 130-136		1.	Meeting Minutes, October 26, 2010
Page 137-141		2.	LaVonne Murphy – IUP/Farm Animals – 2557 225th Avenue NE
Page 142-156		3.	Tim Christensen – IUP/Home Occupation – 1507 205th Avenue NE
9:35 PM	B.	Park Commission	
Page 157-163		1.	Meeting Minutes, October 13, 2010
9:37 PM	C.	Road Commission	
Page 164-168		1.	Meeting Minutes, October 12, 2010
	8.0	**Department Reports**	
	A.	Engineer **(No Report)**	
	B.	Attorney **(No Report)**	
	C.	Finance **(No Report)**	

		D.	Public Works **(No Report)**
9:39 PM		E.	Planning and Inspection/Code Enforcement
	Page 169-173		1. Code Enforcement Report
9:41 PM		F.	Fire Department
	Page 174-184		1. November Monthly Meeting and October Reports
9:43 PM		G.	City Administrator
	Page 185-186		1. Schoolhouse Task Force
	Page 187-195		2. Appraisal Services – Easement Acquisitions
	Page 196-205		3. Employment Agreement

	9.0	**Other**
9:50 PM		A. Council Reports
9:55 PM		B. Other

10:00 PM	**10.0**	**Adjourn**

City of East Bethel
City Council
Agenda Information

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Date:
November 17, 2010

* *

Agenda Item Number:
Item 4.0 A

* *

Agenda Item:
Monthly Sheriff's Report

* *

Requested Action:
Information Only

* *

Background Information:
Lieutenant Orlando will review the monthly statistics and report on activities for the month of October, 2010.

* *

Fiscal Impact:
None

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Recommendation(s):
Information Only

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required: _X

CITY OF EAST BETHEL – OCTOBER 2010

ITEM	OCTOBER	SEPTEMBER	YTD 2010	OCTOBER YTD 2009
Radio Calls	458	423	4,138	3,876
Incident Reports	384	384	3,802	3,945
Burglaries	4	5	43	33
Thefts	33	20	214	174
Crim.Sex. Cond.	1	0	8	12
Assault	2	3	26	29
Dam to Prop.	5	13	91	83
Harr. Comm.	4	1	28	33
Felony Arrests	2	2	35	45
GM. Arrests	0	0	4	6
Misd. Arrests	11	6	150	145
DUI Arrests	8	10	68	40
Domestic Arr.	3	5	28	25
Warrant Arr.	6	4	56	65
Traffic Arrests	53	68	748	865

CITY OF EAST BETHEL - OCTOBER 2010
COMMUNITY SERVICE OFFICERS

ITEM	OCTOBER	SEPTEMBER	YTD 2010	OCTOBER YTD 2009
Radio Calls	15	10	129	183
Incident Reports	13	9	130	146
Accident Assist	0	1	7	18
Veh. Lock Out	5	1	17	30
Extra Patrol	26	24	305	376
House Check	0	0	1	6
Bus. Check	31	23	161	232
Animal Compl.	6	7	67	101
Traffic Assist	6	3	42	15
Aids: Agency	51	65	642	514
Aids: Public	40	25	258	308
Paper Service	12	0	32	13
Inspections	0	0	0	0
Ordinance Viol.	0	0	4	2

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 4.0 B

* *

Agenda Item:
Sheriff's Contract for 2011

* *

Requested Action:
Consider approving proposed agreement with direction to execute the agreement.

* *

Background Information:
The Sheriff has provided an agreement for patrol services for calendar year 2011. The proposal provides for 40 hours of patrol service in a 24 hour period for 2011 with 20 hours of Community Service Officer support per week.

This proposal represents the continuation of the coverage that Council approved beginning July 1, 2008 that was an expansion from the 32 hours of coverage in a 24 hour period. Funding for this level of service is provided for in the 2011 Budget.

* *

Fiscal Impact:
The cost of these services is proposed at $1,077,098 less any credit provided for Police State Aid.

* *

Recommendation(s):
Staff is recommending approval of the Sheriff's proposal for a Law Enforcement Agreement for calendar year 2011 with direction to execute the agreement on the City's behalf.

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

Anoka County Contract No. 2010-0280

LAW ENFORCEMENT CONTRACT

THIS CONTRACT is made and entered into this _____ day of _____, 2010, by and between the County of Anoka, a political subdivision of the State of Minnesota, and the Anoka County Sheriff, hereinafter referred to as the "County," and the City of East Bethel, 2241 - 221st Avenue Northeast, East Bethel, Minnesota 55011, hereinafter referred to as the Municipality, for the period of January 1, 2011, through December 31, 2011.

WITNESSETH:

WHEREAS, the Municipality is desirous of entering into a contract with the County, through the Office of the Anoka County Sheriff (hereinafter Sheriff), for the performance of the law enforcement functions hereinafter described within the corporate limits of said Municipality; and

WHEREAS, the County is agreeable to rendering such services and law enforcement functions on the terms and conditions hereinafter set forth; and

WHEREAS, such contracts are authorized and provided for by Minn. Stat. §§ 471.59 and 436.05.

NOW, THEREFORE, pursuant to the terms of the aforesaid statutes, and in consideration of the mutual covenants expressed herein, it is agreed as follows:

I. PURPOSE

The County, through its Sheriff, agrees to provide police protection within the corporate limits of the Municipality to the extent and in the manner as hereinafter set forth.

II. SERVICES TO BE PROVIDED BY THE COUNTY

A. Except as otherwise hereinafter specifically set forth, such services shall encompass the duties and functions of the type normally coming within the jurisdiction of the Sheriff pursuant to Minnesota Law, and, in addition, the Sheriff and his duly assigned deputies shall, within the Municipality's corporate limits, exercise all the police powers and duties of city police officers as provided by Minn. Stat. § 436.05.

B. The rendition of services, the standard of performance, the discipline of the deputies, and other matters incident to the performance of such services and the control of personnel so employed, shall remain in and under the sole control of the Sheriff.

C. Such services shall include the enforcement of Minnesota State Statutes and the municipal ordinances of the Municipality.

D. The County shall furnish and supply all necessary labor, supervision, equipment, and communication facilities for dispatching, jail detention (including the cost of such detention), and daily patrol service as specified in Paragraph II.E. of this Contract, and shall be responsible for the direct payment of any salaries, wages, or other compensation to any County personnel performing services pursuant to this Contract.

E. The County agrees to provide law enforcement protection as follows: For the period of January 1, 2011, through December 31, 2011, the Sheriff will provide forty (40) consecutive hours per day of daily patrol service. Said daily patrol service shall be exercised through the employment of two patrol cars, to be supplied, equipped, and maintained by the County, and staffed by Sheriff's deputies. Further, said daily patrol service will provide and fulfill those services and duties ordinarily provided and fulfilled by city police officers as provided by state law and municipal ordinances. The Sheriff will also provide twenty (20) hours per week of service by a Community Service Officer (CSO). The Sheriff, upon consultation with the governing council of the Municipality, or with any law enforcement committee which said council shall designate, shall determine the time of the day during which the patrol service shall be provided. The Sheriff may periodically change the times of patrol service in order to enhance the effectiveness of the coverage, with the consent of said council or law enforcement committee.

F. The County patrol cars used for providing the services pursuant to this Contract shall be stored on premises owned by the Municipality. In the event that a suitable and secure storage location is not provided, in the determination of the Sheriff, the patrol cars will be returned to the Sheriff's Office at the end of each shift.

III. DUTIES OF MUNICIPALITY

A. It is agreed that the Sheriff shall have all reasonable and necessary cooperation and assistance from the Municipality, its officers, agents, and employees, so as to facilitate the performance of this Contract.

B. This Contract shall not alter the responsibility for prosecution of offenses occurring within the Municipality as is currently provided by law. Likewise, collection and distribution of fine monies shall be controlled in the manner provided by law.

IV. COMPENSATION/TERM

The Municipality hereby agrees to pay to the County the sum of One Million Seventy Seven Thousand Ninety Eight dollars and 00/100s ($1,077,098.00) for all services provided herein by the Sheriff during the term of this Contract. Said contract sum is payable in four (4) installments, with the first installment due on April 4, 2011, with remaining installments due on July 11, 2011; October 4, 2011; and December 30, 2011.

The County agrees that the Municipality will receive a credit against its contract price obligation as a result of anticipated Police State Aide. The amount of the credit will be determined by the amount of money received per sworn officer from the State of Minnesota times the number of sworn officers charged for to service this Contract.

V. RENEWAL

This Contract may be renewed for a successive period of one (1) year. Said renewal shall be accomplished in the following manner:

A. Not later than one hundred twenty (120) days prior to the expiration of the current Contract, the County, through its Sheriff, shall notify the Municipality of its intention to renew. Said notification shall include notice of any increase in total contract cost.

B. The renewal shall be officially approved by the parties' respective governing bodies prior to expiration of the current Contract.

VI. LAW ENFORCEMENT COMMITTEE

The County, through its Sheriff or his designee(s), agrees to meet, from time to time, with the governing council of the Municipality or with any duly designated law enforcement committee of the Municipality. The purpose of said meetings shall be to make suggestions for improvement in the implementation of this Contract or for amendments thereto; provided, however, that no such suggestion or amendment shall be binding upon either party until reduced to writing and duly signed by the parties hereto. The membership of said committee, and the time and place of said meetings, shall be determined by the Municipality with reasonable notice to the Sheriff.

VII. DISBURSEMENT OF FUNDS

All funds disbursed by the County or the Municipality pursuant to this Contract shall be disbursed by each entity pursuant to the method provided by law.

VIII. STRICT ACCOUNTABILITY

A strict accounting shall be made of all funds, and reports of all receipts and disbursements shall be made upon request by either party.

IX. AFFIRMATIVE ACTION

In accordance with Anoka County's Affirmative Action Policy and the County Commissioners' policies against discrimination, no person shall illegally be excluded from full-time employment rights in, be denied the benefits of, or be otherwise subjected to discrimination in the program which is the subject of this Contract on the basis of race, creed, color, sex, sexual orientation, marital status, public assistance status, age, disability, or national origin.

X. INDEMNIFICATION

The City of East Bethel and the County mutually agree to indemnify and hold harmless each other from any claims, losses, costs, expenses, or damages, injuries or sickness resulting from the acts or omissions of the respective offices, agents, or employees, relating to the activities conducted by either party under this Contract.

XI. TERMINATION

This Contract may be terminated by either party at any time with or without cause upon not less than one hundred eighty (180) days written notice delivered by mail or in person to the other party. Notices delivered by mail shall be deemed to be received two (2) days after mailing. Such termination shall not be effective with respect to services rendered prior to such notice of termination.

XII. NOTICE

For purposes of delivering any notices hereunder, notice shall be effective if delivered to the Anoka County Sheriff, 13301 Hanson Boulevard NW, Andover, Minnesota 55304, on behalf of the County; and the City Administrator of the City of East Bethel, 2241 - 221st Avenue Northeast, East Bethel, Minnesota 55011, on behalf of the Municipality.

XIII. ENTIRE AGREEMENT/REQUIREMENT OF A WRITING

It is understood and agreed that the entire agreement of the parties is contained herein and that this Contract supersedes all oral and written agreements and negotiations between the parties relating to the subject matter hereof, as well as any previous contract presently in effect between the parties relating to the subject matter thereof. Any alterations, variations, or modifications of the provisions of this Contract shall be valid only when they have been reduced to writing and duly signed by the parties herein.

IN WITNESS WHEREOF, the Municipality, by resolution duly adopted by its governing body, has caused this Contract to be signed by its Mayor and attested by its Clerk, and the County, by resolution of the County Board of Commissioners, has caused this Contract to be signed by the Chairman of the County Board of Commissioners, attested by the County Administrator, and signed by the County Sheriff, all on the day and year first above written.

COUNTY OF ANOKA

By: _____
Dennis D. Berg, Chair
County Board of Commissioners

Dated: _____

CITY OF EAST BETHEL

By: _____

Its: _____

Dated: _____

ATTEST

By: _____
Terry L. Johnson
County Administrator

Dated: _____

By: _____
Bruce Andersohn
Sheriff

Dated: 10-13-10

By: _____

Its: _____

Dated: _____

APPROVED AS TO FORM

By: _____
Dan Klint
Assistant County Attorney

Dated: _____

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City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 4.0 C

* *

Agenda Item:
Anoka County Highway Department

* *

Requested Action:
Informational only

* *

Background Information:
Ms. Kate Garwood of the Anoka County Highway Department will provide an update on the Congestion Mitigation Air Quality (CMAQ) grant. Under the terms of CMAQ grant, the County will receive grant dollars to assist with commuter/express bus service from Park and Pool lots identified along Highway 65 to downtown locations. The CMAQ Grant is set to begin 10/01/2012.

Ms. Garwood will also have updated information regarding participation in the Metropolitan Council's Transit Taxing District. The deadline for a Service Agreement between Met Council and the City of East Bethel for Metro Transit Tax levy to begin in 2012 is June 30, 2011.

* *

Fiscal Impact:
As provided for in the presentation

* *

Recommendation(s):
Informational only

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

City of East Bethel
City Council
Agenda Information

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Date:
November 17, 2010

* *

Agenda Item Number:
Item 4.0 D

* *

Agenda Item:
2010 Series A G.O. Utility Revenue Bonds

* *

Requested Action:
Consider adopting Resolution 2010-66 authorizing and directing the sale of 2010, Series A, G.O. Utility Revenue Bonds

* *

Background Information:
At the October 20, 2010 City Council meeting, Council directed that several actions be taken to secure bids for the sale of G.O. Utility Revenue Bonds. One such action was to solicit bids from investment bankers and banks for the sale of these bonds.

The bid was advertised on November 10, 2010 on the electronic bidding platform used for this purpose called "Parity." In addition, the proposal was provided to seven potential underwriters. The bid closing date is November 17, 2010. Mr. Paul Steinman from Springsted, Inc. will compile the bid results for this bond issue and provide the tabulations on the evening of November 17, 2010.

We have provided the Resolution, less the award information, for your review. Mr. Steinman will provide updated information.

Attachment(s):

1. Resolution 2010-66 Authorizing and Directing the Sale of G.O. Utility Revenue Bonds 2010 Series A

* *

Fiscal Impact:
Mr. Steinman will provide additional information regarding the interest and debt service schedules on November 17, 2010

* *

Recommendation(s):
Staff is seeking direction from City Council regarding adoption of Resolution 2010-66, A Resolution Authorizing and Directing the Sale and Issuance of G.O. Utility Revenue Bonds 2010 Series A.

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

CERTIFICATION OF MINUTES RELATING TO
$11,465,000 TAXABLE GENERAL OBLIGATION WATER UTILITY REVENUE BONDS, SERIES 2010A
(RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

Issuer: City of East Bethel, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held November 17, 2010, at 7:30 o'clock P.M., at the City Hall in East Bethel, Minnesota.

Members present: Mayor Hunter, Council Members Boyer, Channer and Paavola

Members absent: Council Member Voss

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2010-66

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $11,465,000 TAXABLE GENERAL OBLIGATION WATER UTILITY REVENUE BONDS, SERIES 2010A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on November 17, 2010.

_____
City Administrator

It was reported that one (1) proposal for the purchase of $11,465,000 Taxable General Obligation Water Utility Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds) were received prior to 11:00 o'clock a.m., Central time, pursuant to the Official Statement distributed to potential purchasers of the Bonds by Springsted Incorporated, financial consultants to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

See Attached

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2010 -66

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $11,465,000 TAXABLE GENERAL OBLIGATION WATER UTILITY REVENUE BONDS, SERIES 2010A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

BE IT RESOLVED by the City Council, City of East Bethel, Minnesota (the "City"), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This City Council, by resolution duly adopted on October 20, 2010, authorized the issuance and sale of its $11,465,000 Taxable General Obligation Water Utility Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds) (the "Bonds"), pursuant to Minnesota Statutes, Section 444.075 and Chapter 475. Proceeds of the Bonds will be used to finance construction of a new water system (the "System") in the City (the "Project").

1.02. Sale. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the City by Springsted Incorporated, sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The bids have been opened and publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Robert W. Baird & Company, Incorporated, in Milwaukee, Wisconsin (the "Purchaser") to purchase the Bonds at a price of $11,327,420.00 plus accrued interest on all Bonds to the date of issuance and delivery, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Administrator are hereby authorized and directed on behalf of the City to execute a contract for the sale of the Bonds with the Purchaser in accordance with the Terms of Proposal. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

1.04. Recovery Zone Economic Development Bonds Designation. The City hereby irrevocably designates the Bonds as "Recovery Zone Economic Development Bonds" under Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to a resolution, adopted by the City on October 20, 2010, establishing a recovery zone under Section 1400U-1(b) of the Code, with the result that the City shall be entitled to the credit provided in Section 1400U-2(a) and Section 6431 of the Code.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be

performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of $5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

Year	Amount	Rate	Year	Amount	Rate
2020	$ 115,000	4.50%	2030	$2,035,000	6.50%
2021	120,000	4.70	2035	3,835,000	6.75
2025	720,000	5.60	2040	4,640,000	7.00

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2011, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month immediately preceding the Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing in 2022 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in integral multiples of $5,000, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City Administrator shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.06 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as

aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

The Bonds are also subject to extraordinary redemption, at the option of the City, in whole, but not in part, at a redemption price equal to par plus accrued interest to the redemption date, upon or on any date after the occurrence of a Determination of Ineligibility. A "Determination of Ineligibility" means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which would have the effect of deeming, determining or rendering the Bonds not qualified for treatment as Qualified Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code; (ii) the federal government discontinues the Recovery Zone Economic Development Bonds direct payment program or reduces the refundable credit to the City with retroactive applicability to bonds issued prior to the date of such discontinuance or reduced refundable credit; or (iii) the receipt by the City of a written opinion of nationally recognized bond counsel selected by the City to the effect that the Bonds are not Qualified Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code.

Bonds maturing on February 1, 2025, 2030, 2035, and 2040 (the "Term Bonds") shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

Year	Principal Amount
2022	$170,000
2023	140,000
2024	190,000

The remaining $220,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2025.

Year	Principal Amount
2026	$275,000
2027	335,000
2028	405,000
2029	470,000

The remaining $550,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2030.

Year	Principal Amount
2031	$660,000
2032	755,000
2033	780,000
2034	805,000

The remaining $835,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2035.

Year	Principal Amount
2036	$865,000
2037	895,000
2038	925,000
2039	960,000

The remaining $995,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2040.

Notice of redemption shall be given as provided in the preceding paragraph.

2.05. Appointment of Registrar. The City hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the "Registrar"). The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the "Bond Register") in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds 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 such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than $5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any 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 shall 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 City 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 the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof 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 Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall 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 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 the Bond was destroyed,

stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the City agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA

CITY OF EAST BETHEL

TAXABLE GENERAL OBLIGATION WATER UTILITY REVENUE BOND,
SERIES 2010A
(RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

Interest Rate	Maturity Date	Date of Original Issue	CUSIP No.
%	February 1, 20__	December 15, 2010	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF EAST BETHEL, State of Minnesota (the "City") 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 the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2011 (each such date, an "Interest Payment Date"), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month immediately preceding the Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, St. Paul, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar") or other agreed-upon means of payment by the Registrar or its designated successor.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of $11,465,000 issued pursuant to a resolution adopted by the City Council on November 17, 2010 (the "Resolution"), finance construction of a new water system (the "System") in the City (the "Project"), and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Section 444.075 and Chapter 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of $5,000 or any integral multiple thereof, of single maturities.

Bonds maturing in 2022 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of $5,000, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

The Bonds are also subject to extraordinary redemption, at the option of the City, in whole, but not in part, at a redemption price equal to par plus accrued interest to the redemption date, upon or on any date after the occurrence of a Determination of Ineligibility. A "Determination of Ineligibility" means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which would have the effect of deeming, determining or rendering the Bonds not qualified for treatment as Qualified Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code; (ii) the federal government discontinues the Recovery Zone Economic Development Bonds direct payment program or reduces the refundable credit to the City with retroactive applicability to bonds issued prior to the date of such discontinuance or reduced refundable credit; or (iii) the receipt by the City of a written opinion of nationally recognized bond counsel selected by the City to the effect that the Bonds are not Qualified Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code.

Bonds maturing in the years 2025, 2030, 2035, and 2040 shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

Term Bonds Maturing in 2025

Sinking Fund Payment Date	Aggregate Principal Amount
2022	$170,000
2023	140,000
2024	190,000
2025	220,000

Term Bonds Maturing in 2030

Sinking Fund Payment Date	Aggregate Principal Amount
2026	$275,000
2027	335,000
2028	405,000
2029	470,000
2030	550,000

Term Bonds Maturing in 2035

Sinking Fund Payment Date	Aggregate Principal Amount
2031	$660,000
2032	755,000
2033	780,000
2034	805,000
2035	835,000

Term Bonds Maturing in 2040

Sinking Fund Payment Date	Aggregate Principal Amount
2036	$865,000
2037	895,000
2038	925,000
2039	960,000
2040	995,000

Notice of redemption shall be given as provided in the preceding paragraph.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City 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 City will cause a new Bond or Bonds to be issued in the name of the designated 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 any such transfer or exchange.

The City 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 as herein provided and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any

other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

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 City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to collect and apply to payment of the Bonds certain net revenues of the System, the federal direct payment credit described in Section 6431 of the Code and ad valorem taxes levied on all taxable property in the City, which revenues, direct payment credit and taxes are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such revenues and taxes to its Taxable General Obligation Water Utility Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds) Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the improvements financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

CITY OF EAST BETHEL, MINNESOTA

_____	_____
(facsimile signature – City Administrator)	(facsimile signature – Mayor)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Representative

_____

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM - as tenants in common

UTMA ..... as Custodian for …….....
(Cust) (Minor)

TEN ENT - as tenants by the entireties

under Uniform Transfers to Minors Act ..……...
(State)

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

_____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

_____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

_____

[end of bond form]

SECTION 3. USE OF PROCEEDS. There is hereby established on the official books and records of the City a separate fund designated the Taxable General Obligation Water Utility Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds) Construction Fund (the "Construction Fund"). The Construction Fund shall be maintained until all costs and expenses incurred by the City in connection with the construction of the Project have been paid. To the Construction Fund there shall be credited from the proceeds of the Bonds the sum of $10,663,619.40, and from the Construction Fund there shall be paid all costs and expenses incurred in construction of the Project. After payment of all such costs, the Construction Fund shall be discontinued.

At such time as the Project is completed the City shall apply any remaining balance in the Construction Fund, including any investment earnings having accrued therein, to the defeasance of a proportionate amount of the Bonds in accordance with Section 1.1001-3 of the Regulations, as amended, or in such other manner as the City's bond counsel shall approve.

SECTION 4. TAXABLE GENERAL OBLIGATION WATER UTILITY REVENUE BONDS, SERIES 2010A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) BOND FUND. So long as any of the Bonds are outstanding and any principal or interest thereon unpaid, the City Administrator shall maintain on the official books and records of the City a separate fund designated the Taxable General Obligation Water Utility Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds) Bond Fund (the "Bond Fund"). Into the Bond Fund shall be paid (a) the amounts specified in Section 3 above, (b) any amount in excess of the amounts credited to the Construction Fund as provided in Section 3 hereof received from the Purchaser upon delivery of the Bonds, (c) the net revenues described in Section 5 hereof, (d) any taxes collected pursuant to Section 6 hereof, (e) the federal direct payment credit expected to be received from the United States Treasury as described in Section 6431 of the Code, and (f) any other funds appropriated by the City Council for the payment of the Bonds. The principal of and interest on the Bonds shall be payable from the Bond Fund, and the money on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. If the balance on hand in the Bond Fund is at any time insufficient to pay principal and interest then

due on the Bonds, such amounts shall be paid from other money on hand in other funds of the City, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. The City Council also covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to pay any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount set forth in (b) above. Thereafter, during each Bond Year (i.e., each twelve month period commencing on February 2 and ending on the following February 1), as monies are received into the Bond Fund, the City Administrator shall first deposit such monies into the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Administrator shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

SECTION 5. PLEDGE OF NET REVENUES. It is hereby found, determined and declared that the City owns and operates the System as a revenue-producing utility and convenience; and that the net operating revenues of the System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other pledged funds, for the payment when due of the principal of and interest on the Bonds herein authorized, and on any other bonds to which such revenues are pledged.

Pursuant to Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the registered owners from time to time of the Bonds, that until the Bonds and the interest thereon are discharged as provided in Section 7 or paid in full, the City will impose and collect reasonable charges in accordance with said Section 444.075 for the service, use and availability of the System according to schedules sufficient to produce net revenues sufficient, with other funds pledged to payment of the Bonds, to pay the Bonds and any other bonds to which said net revenues have been pledged; and the net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Bonds herein authorized and interest thereon when due. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of the net revenues of the System for payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the System will be sufficient, together with any other sources pledged to the payment of the outstanding and additional obligations, for payment of the outstanding bonds and such additional obligations. Such further pledges and appropriations of net revenues may be made superior or subordinate to or on a parity with, the pledge and appropriation herein made.

SECTION 6. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. However, it is presently estimated that the net revenues of the System, together with other funds to be appropriated by the City to the Bond Fund, will produce amounts not less than five percent in excess of the amounts needed to meet when due the principal and interest payments on the Bonds and therefore no ad valorem taxes are required to be levied at this time.

SECTION 7. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, 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 from the due date to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. General Tax Covenant. The City agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund will be expended solely for the payment of the costs of the Project. The Project is and will be owned and maintained by the City

and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or other agreement with any non-governmental person relating to the use of the Project, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Mayor and City Administrator being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be "arbitrage bonds" within the meaning of the Code and Regulations.

8.03. Arbitrage Rebate. The City acknowledges that the Bonds may be subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the status of the Bonds as Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

8.04. Reimbursement. The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Project which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the City is in compliance with the relevant provisions of the American Recovery and Reinvestment Act of 2009 and unless the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Project meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Project as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

8.05. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the

only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before 365 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2010, the following financial information and operating data in respect of the City (the Disclosure Information):

(A) the audited financial statements of the City for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the City, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: City Property Values; City Indebtedness; and City Tax Rates, Levies and Collections.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet Web site of the Municipal Securities Rulemaking Board ("MSRB"). The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a "Material Fact"):

(A) Principal and interest payment delinquencies;
(B) Non-payment related defaults, if material;
(C) Unscheduled draws on debt service reserves reflecting financial difficulties;
(D) Unscheduled draws on credit enhancements reflecting financial difficulties;
(E) Substitution of credit or liquidity providers, or their failure to perform;
(F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(G) Modifications to rights of security holders, if material;
(H) Bond calls, if material, and tender offers;
(I) Defeasances;
(J) Release, substitution, or sale of property securing repayment of the securities, if material;
(K) Rating changes;
(L) Bankruptcy, insolvency, receivership or a similar event with respect to the obligated person;
(M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the

obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, a Material Fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);

(C) the termination of the obligations of the City under this section pursuant to subsection (d);

(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and

(E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

(1) The City agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).

(2) The City further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Bonds at the request of the City and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii)

such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.01. Registration of Bonds. The City Administrator is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor, together with such additional information as the Auditor may require, and to obtain from the Auditor a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the Auditor's bond register.

9.02. Authentication of Transcript. The officers of the City and the County Auditor are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

9.03. Official Statement. The Official Statement relating to the Bonds, dated November 3, 2010, prepared and distributed by Springsted Incorporated, the financial consultant for the City, is hereby approved. Springsted Incorporated is hereby authorized on behalf of the City to prepare and deliver to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule l5c2-12 adopted by the SEC under the Securities and Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

9.04. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 17th day of November, 2010 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Greg Hunter, Mayor

ATTEST:

_____

Douglas Sell, City Administrator

CERTIFICATION OF MINUTES RELATING TO
$11,465,000 TAXABLE GENERAL OBLIGATION WATER UTILITY REVENUE BONDS, SERIES 2010A
(RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

Issuer: City of East Bethel, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held November 17, 2010, at 7:30 o'clock P.M., at the City Hall in East Bethel, Minnesota.

Members present: Mayor Hunter, Council Members Boyer, Channer, Paavola and Voss

Members absent: All present

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2010-66

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $11,465,000 TAXABLE GENERAL OBLIGATION WATER UTILITY REVENUE BONDS, SERIES 2010A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on November 17, 2010.

_____
City Administrator

It was reported that _____ proposals for the purchase of $11,465,000 Taxable General Obligation Water Utility Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds) were received prior to 11:00 o'clock a.m., Central time, pursuant to the Official Statement distributed to potential purchasers of the Bonds by Springsted Incorporated, financial consultants to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

See Attached

RESOUTION 2010-66

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $11,465,000 TAXABLE GENERAL OBLIGATION WATER UTILITY REVENUE BONDS, SERIES 2010A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

BE IT RESOLVED by the City Council, City of East Bethel, Minnesota (the "City"), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This City Council, by resolution duly adopted on October 20, 2010, authorized the issuance and sale of its $11,465,000 Taxable General Obligation Water Utility Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds) (the "Bonds"), pursuant to Minnesota Statutes, Section 444.075 and Chapter 475. Proceeds of the Bonds will be used to finance construction of a new water system (the "System") in the City (the "Project").

1.02. Sale. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the City by Springsted Incorporated, sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The bids have been opened and publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of _____, in _____, _____ (the "Purchaser") to purchase the Bonds at a price of $_____ plus accrued interest on all Bonds to the date of issuance and delivery, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Administrator are hereby authorized and directed on behalf of the City to execute a contract for the sale of the Bonds with the Purchaser in accordance with the Terms of Proposal. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

1.04. Recovery Zone Economic Development Bonds Designation. The City hereby irrevocably designates the Bonds as "Recovery Zone Economic Development Bonds" under Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to a resolution, adopted by the City on September __, 2010, establishing a recovery zone under Section 1400U-1(b) of the Code, with the result that the City shall be entitled to the credit provided in Section 1400U-2(a) and Section 6431 of the Code.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of $5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

Year	Amount	Rate	Year	Amount	Rate
2020	$ 115,000	%	2031	$ 660,000	%
2021	120,000		2032	755,000	
2022	170,000		2033	780,000	
2023	140,000		2034	805,000	
2024	190,000		2035	835,000	
2025	220,000		2036	865,000	
2026	275,000		2037	895,000	
2027	335,000		2038	925,000	
2028	405,000		2039	960,000	
2029	470,000		2040	995,000	
2030	550,000				

[REVISE MATURITY SCHEDULE FOR ANY TERM BONDS]

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2011, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month immediately preceding the Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing in 2022 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in integral multiples of $5,000, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City Administrator shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated

redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.06 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

The Bonds are also subject to extraordinary redemption, at the option of the City, in whole, but not in part, at a redemption price equal to par plus accrued interest to the redemption date, upon or on any date after the occurrence of a Determination of Ineligibility. A "Determination of Ineligibility" means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which would have the effect of deeming, determining or rendering the Bonds not qualified for treatment as Qualified Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code; (ii) the federal government discontinues the Recovery Zone Economic Development Bonds direct payment program or reduces the refundable credit to the City with retroactive applicability to bonds issued prior to the date of such discontinuance or reduced refundable credit; or (iii) the receipt by the City of a written opinion of nationally recognized bond counsel selected by the City to the effect that the Bonds are not Qualified Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code.

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS - ADD ADDITIONAL PROVISIONS IF THERE ARE MORE THAN TWO TERM BONDS]

[Bonds maturing on February 1, 20____ and 20____ (the "Term Bonds") shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

Year	Principal Amount

The remaining $_____ stated principal amount of such Bonds shall be paid at maturity on February 1, 20____.

Year	Principal Amount

The remaining $_____ stated principal amount of such Bonds shall be paid at maturity on February 1, 20____.

Notice of redemption shall be given as provided in the preceding paragraph.]

2.05. Appointment of Registrar. The City hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the "Registrar"). The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the "Bond Register") in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds 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 such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than $5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any

Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any 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 shall 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 City 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 the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof 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 Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall 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 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 the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the City agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of

Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA

CITY OF EAST BETHEL

TAXABLE GENERAL OBLIGATION WATER UTILITY REVENUE BOND,
SERIES 2010A
(RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)

Interest Rate	Maturity Date	Date of Original Issue	CUSIP No.
%	February 1, 20__	December 15, 2010	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF EAST BETHEL, State of Minnesota (the "City") 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 the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2011 (each such date, an "Interest Payment Date"), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month immediately preceding the Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, St. Paul, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar") or other agreed-upon means of payment by the Registrar or its designated successor.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of $11,465,000 issued pursuant to a resolution adopted by the City Council on November 17, 2010 (the "Resolution"), finance construction of a new water system (the "System") in the City (the "Project"), and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Section 444.075 and Chapter 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of $5,000 or any integral multiple thereof, of single maturities.

Bonds maturing in 2022 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of $5,000, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

The Bonds are also subject to extraordinary redemption, at the option of the City, in whole, but not in part, at a redemption price equal to par plus accrued interest to the redemption date, upon or on any date after the occurrence of a Determination of Ineligibility. A "Determination of Ineligibility" means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which would have the effect of deeming, determining or rendering the Bonds not qualified for treatment as Qualified Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code; (ii) the federal government discontinues the Recovery Zone Economic Development Bonds direct payment program or reduces the refundable credit to the City with retroactive applicability to bonds issued prior to the date of such discontinuance or reduced refundable credit; or (iii) the receipt by the City of a written opinion of nationally recognized bond counsel selected by the City to the effect that the Bonds are not Qualified Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code.

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS - ADD ADDITIONAL PROVISIONS IF THERE ARE MORE THAN TWO TERM BONDS]

[Bonds maturing in the years 20____ and 20____ shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

Term Bonds Maturing in 20--	Term Bonds Maturing in 20--

Sinking Fund Payment Date	Aggregate Principal Amount	Sinking Fund Payment Date	Aggregate Principal Amount
	$		$

Notice of redemption shall be given as provided in the preceding paragraph.]

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City 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 City will cause a new Bond or Bonds to be issued in the name of the designated 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 any such transfer or exchange.

The City 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 as herein provided and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

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 City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to collect and apply to payment of the Bonds certain net revenues of the System, the federal direct payment credit described in Section 6431 of the Code and ad valorem taxes levied on all taxable property in the City, which revenues, direct payment credit and taxes are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such revenues and taxes to its Taxable General Obligation Water Utility Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds) Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the improvements financed by this Bond have been or will be taken

according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

CITY OF EAST BETHEL, MINNESOTA

_____ _____

(facsimile signature – City Administrator) (facsimile signature – Mayor)

_____

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Representative

_____

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UTMA ..... as Custodian for …….....
(Cust) (Minor)
under Uniform Transfers to Minors Act ..……...
(State)

Additional abbreviations may also be used.

_____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____ _____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

_____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

_____

[end of bond form]

SECTION 3. USE OF PROCEEDS. There is hereby established on the official books and records of the City a separate fund designated the Taxable General Obligation Water Utility Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds) Construction Fund (the "Construction Fund"). The Construction Fund shall be maintained until all costs and expenses incurred by the City in connection with the construction of the Project have been paid. To the Construction Fund there shall be credited from the proceeds of the Bonds the sum of $_____, and from the Construction Fund there shall be paid all costs and expenses incurred in construction of the Project. After payment of all such costs, the Construction Fund shall be discontinued.

At such time as the Project is completed the City shall apply any remaining balance in the Construction Fund, including any investment earnings having accrued therein, to the defeasance of a proportionate amount of the Bonds in accordance with Section 1.1001-3 of the Regulations, as amended, or in such other manner as the City's bond counsel shall approve.

SECTION 4. TAXABLE GENERAL OBLIGATION WATER UTILITY REVENUE BONDS, SERIES 2010A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) BOND FUND. So long as any of the Bonds are outstanding and any principal or interest thereon unpaid, the City Administrator shall maintain on the official books and records of the City a separate fund designated the Taxable General Obligation Water Utility Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds) Bond Fund (the "Bond Fund"). Into the Bond Fund shall be paid (a) the amounts specified in Section 3 above, (b) any amount in excess of the amounts credited to the Construction Fund as provided in Section 3 hereof received from the Purchaser upon delivery of the Bonds, (c) the net revenues described in Section 5 hereof, (d) any taxes collected pursuant to Section 6 hereof, (e) the federal direct payment credit expected to be received from the United States Treasury as described in Section 6431 of the Code, and (f) any other funds appropriated by the City Council for the payment of the Bonds. The principal of and interest on the Bonds shall be payable from the Bond Fund, and the money on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. If the balance on hand in the Bond Fund is at any time insufficient to pay principal and interest then due on the Bonds, such amounts shall be paid from other money on hand in other funds of the City, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. The City Council also covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to pay any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount set forth in (b) above. Thereafter, during each Bond Year (i.e., each twelve month period commencing on February 2 and ending on the following February 1), as monies are received into the Bond Fund, the City Administrator shall first deposit such monies into the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Administrator shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

SECTION 5. PLEDGE OF NET REVENUES. It is hereby found, determined and declared that the City owns and operates the System as a revenue-producing utility and convenience; and that the net operating revenues of the System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other

pledged funds, for the payment when due of the principal of and interest on the Bonds herein authorized, and on any other bonds to which such revenues are pledged.

Pursuant to Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the registered owners from time to time of the Bonds, that until the Bonds and the interest thereon are discharged as provided in Section 7 or paid in full, the City will impose and collect reasonable charges in accordance with said Section 444.075 for the service, use and availability of the System according to schedules sufficient to produce net revenues sufficient, with other funds pledged to payment of the Bonds, to pay the Bonds and any other bonds to which said net revenues have been pledged; and the net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Bonds herein authorized and interest thereon when due. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of the net revenues of the System for payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the System will be sufficient, together with any other sources pledged to the payment of the outstanding and additional obligations, for payment of the outstanding bonds and such additional obligations. Such further pledges and appropriations of net revenues may be made superior or subordinate to or on a parity with, the pledge and appropriation herein made.

SECTION 6. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. However, it is presently estimated that the net revenues of the System, together with other funds to be appropriated by the City to the Bond Fund, will produce amounts not less than five percent in excess of the amounts needed to meet when due the principal and interest payments on the Bonds and therefore no ad valorem taxes are required to be levied at this time.

SECTION 7. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, 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 from the due date to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date. If such deposit is made more than ninety days before the

maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. General Tax Covenant. The City agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund will be expended solely for the payment of the costs of the Project. The Project is and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or other agreement with any non-governmental person relating to the use of the Project, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Mayor and City Administrator being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be "arbitrage bonds" within the meaning of the Code and Regulations.

8.03. Arbitrage Rebate. The City acknowledges that the Bonds may be subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the status of the Bonds as Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

8.04. Reimbursement. The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Project which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the City is in compliance with the relevant provisions of the American Recovery and Reinvestment Act of 2009 and unless the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Project meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Project as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

8.05. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before 365 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2010, the following financial information and operating data in respect of the City (the Disclosure Information):

(A) the audited financial statements of the City for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the City, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: City Property Values; City Indebtedness; and City Tax Rates, Levies and Collections.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet Web site of the Municipal Securities Rulemaking Board ("MSRB"). The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a "Material Fact"):

(A) Principal and interest payment delinquencies;
(B) Non-payment related defaults, if material;
(C) Unscheduled draws on debt service reserves reflecting financial difficulties;
(D) Unscheduled draws on credit enhancements reflecting financial difficulties;
(E) Substitution of credit or liquidity providers, or their failure to perform;
(F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(G) Modifications to rights of security holders, if material;
(H) Bond calls, if material, and tender offers;
(I) Defeasances;
(J) Release, substitution, or sale of property securing repayment of the securities, if material;
(K) Rating changes;
(L) Bankruptcy, insolvency, receivership or a similar event with respect to the obligated person;
(M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, a Material Fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but

subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
(C) the termination of the obligations of the City under this section pursuant to subsection (d);
(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
(E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

(1) The City agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).

(2) The City further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Bonds at the request of the City and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section

will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.01. Registration of Bonds. The City Administrator is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor, together with such additional information as the Auditor may require, and to obtain from the Auditor a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the Auditor's bond register.

9.02. Authentication of Transcript. The officers of the City and the County Auditor are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits

and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

9.03. Official Statement. The Official Statement relating to the Bonds, dated November 3, 2010, prepared and distributed by Springsted Incorporated, the financial consultant for the City, is hereby approved. Springsted Incorporated is hereby authorized on behalf of the City to prepare and deliver to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule l5c2-12 adopted by the SEC under the Securities and Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

9.04. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 17th day of November, 2010 by the City Council of the City of East Bethel, Minnesota.

CITY OF EAST BETHEL

_____
Greg Hunter
Mayor

ATTEST:

_____
Douglas Sell
City Administrator/Clerk/Treasurer

ANOKA COUNTY AUDITOR'S
CERTIFICATE AS TO REGISTRATION AND TAX LEVY

The undersigned, being the duly qualified and acting County Auditor of Anoka County, Minnesota, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on November 17, 2010, by the City Council of East Bethel, Minnesota, setting forth the form and details of an issue of $11,465,000 Taxable General Obligation Water Utility Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds), dated as of December 15, 2010.

I further certify that the issue has been entered on my bond register and the taxes required by law have been levied as required by Minnesota Statutes, Sections 475.61 to 475.63.

WITNESS my hand and official seal on the _____ day of November, 2010.

_____
Anoka County Auditor

(SEAL)

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 4.0 E

* *

Agenda Item:
Resolution 2010-67 2010 Series B G.O. Utility Revenue Bonds

* *

Requested Action:
Consider adopting Resolution 2010-67 authorizing and directing the sale of 2010, Series B, G.O. Utility Revenue Bonds

* *

Background Information:
At the October 20, 2010 City Council meeting, Council directed that several actions be taken to secure bids for the sale of G.O. Utility Revenue Bonds. One such action was to solicit bids from investment bankers and banks for the sale of these bonds.

The bid was advertised on November 10, 2010 on the electronic bidding platform used for this purpose called "Parity." In addition, the proposal was provided to seven potential underwriters. The bid closing date is November 17, 2010. Mr. Paul Steinman from Springsted, Inc. will compile the bid results for this bond issue and provide the tabulations on the evening of November 17, 2010.

We have provided the Resolution, less the award information, for your review. Mr. Steinman will provide updated information.

Attachment(s):

1. Resolution 2010-67 Authorizing and Directing the Sale of G.O. Utility Revenue Bonds 2010, Series B

* *

Fiscal Impact:
Mr. Steinman will provide additional information regarding the interest and debt service schedules on November 17, 2010

* *

Recommendation(s):
Staff is seeking direction from City Council regarding adoption of Resolution 2010-67, A Resolution Authorizing and Directing the Sale and Issuance of G.O. Utility Revenue Bonds 2010, Series B.

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

CERTIFICATION OF MINUTES RELATING TO
$6,100,000 TAXABLE GENERAL OBLIGATION UTILITY REVENUE BONDS,
SERIES 2010B
(BUILD AMERICA BONDS - DIRECT PAY)

Issuer: City of East Bethel, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held November 17, 2010, at 7:30 o'clock P.M., at the City Hall in East Bethel, Minnesota.

Members present: Mayor Hunter, Council members Boyer, Channer and Paavola

Members absent: Council Member Voss

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2010-67

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $6,100,000 TAXABLE GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2010B (BUILD AMERICA BONDS - DIRECT PAY)

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on November 17, 2010.

_____
City Administrator

It was reported that one (1) proposal for the purchase of $6,100,000 Taxable General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds - Direct Pay) was received prior to 11:00 o'clock a.m., Central time, pursuant to the Official Statement distributed to potential purchasers of the Bonds by Springsted Incorporated, financial consultants to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

See Attached

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2010 -67

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $6,100,000 TAXABLE GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2010B (BUILD AMERICA BONDS - DIRECT PAY)

BE IT RESOLVED by the City Council, City of East Bethel, Minnesota (the "City"), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This City Council, by resolution duly adopted on October 20, 2010, authorized the issuance and sale of its $6,100,000 Taxable General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds - Direct Pay) (the "Bonds"), pursuant to Minnesota Statutes, Sections 444.075 and 115.46 and Chapter 475. Proceeds of the Bonds will be used to finance infrastructure projects in the City (the "Projects") including improvements to the City's sanitary sewer system and construction of a new water system (collectively, the "Systems").

1.02. Sale. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the City by Springsted Incorporated, sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The bids have been opened and publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Robert W. Baird & Company, Incorporated, in Milwaukee, Wisconsin (the "Purchaser") to purchase the Bonds at a price of $6,026,815.00 plus accrued interest on all Bonds to the date of issuance and delivery, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Administrator are hereby authorized and directed on behalf of the City to execute a contract for the sale of the Bonds with the Purchaser in accordance with the Terms of Proposal. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

1.04. Build America Bonds Designation. The City hereby irrevocably designates the Bonds as "Build America Bonds," and irrevocably elects to have Section 54AA(g) of the Internal Revenue Code of 1986, as amended (the "Code"), apply to the Bonds, with the result that the City shall be entitled to the credit provided in Section 6431 of the Code.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing,

having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of $5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

Year	Amount	Rate	Year	Amount	Rate
2016	$ 90,000	3.10%	2021	$ 170,000	4.70%
2017	120,000	3.50	2025	765,000	5.60
2018	210,000	3.80	2030	1,190,000	6.50
2019	220,000	4.25	2035	1,555,000	6.75
2020	220,000	4.50	2040	1,560,000	7.00

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2011, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month immediately preceding the Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing in 2022 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in integral multiples of $5,000, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City Administrator shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.06 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any

Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

The Bonds are also subject to extraordinary redemption, at the option of the City, in whole, but not in part, at a redemption price equal to par plus accrued interest to the redemption date, upon or on any date after the occurrence of a Determination of Ineligibility. A "Determination of Ineligibility" means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which would have the effect of deeming, determining or rendering the Bonds not qualified for treatment as Qualified Build America Bonds under Section 54AA of the Code; (ii) the federal government discontinues the Build America Bonds direct payment program or reduces the refundable credit to the City with retroactive applicability to bonds issued prior to the date of such discontinuance or reduced refundable credit; or (iii) the receipt by the City of a written opinion of nationally recognized bond counsel selected by the City to the effect that the Bonds are not Qualified Build America Bonds under Section 54AA of the Code.

Bonds maturing on February 1, 2025, 2030, 2035, and 2040 (the "Term Bonds") shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

Year	Principal Amount
2022	$175,000
2023	190,000
2024	195,000

The remaining $205,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2025.

Year	Principal Amount
2026	$215,000
2027	225,000
2028	235,000
2029	250,000

The remaining $265,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2030.

Year	Principal Amount
2031	$275,000
2032	295,000
2033	310,000
2034	330,000

The remaining $345,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2035.

Year	Principal Amount
2036	$280,000
2037	295,000
2038	310,000
2039	330,000

The remaining $345,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2040.

Notice of redemption shall be given as provided in the preceding paragraph.

2.05. Appointment of Registrar. The City hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the "Registrar"). The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the "Bond Register") in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership,

trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds 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 such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than $5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any 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 shall 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 City 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 the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof 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 Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall 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 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 the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the City agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA

CITY OF EAST BETHEL

TAXABLE GENERAL OBLIGATION UTILITY REVENUE BOND, SERIES 2010B
(BUILD AMERICA BONDS - DIRECT PAY)

Interest Rate	Maturity Date	Date of Original Issue	CUSIP No.
%	February 1, 20__	December 15, 2010	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF EAST BETHEL, State of Minnesota (the "City") 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 the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2011 (each such date, an "Interest Payment Date"), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month immediately preceding the Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, St. Paul, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar") or other agreed-upon means of payment by the Registrar or its designated successor.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of $6,100,000 issued pursuant to a resolution adopted by the City Council on November 17, 2010 (the "Resolution"), finance infrastructure projects in the City (the "Projects") including improvements to the City's sanitary sewer system and construction of a new water system (collectively, the "Systems"), and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 444.075 and 115.46 and Chapter 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of $5,000 or any integral multiple thereof, of single maturities.

Bonds maturing in 2022 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of $5,000, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

The Bonds are also subject to extraordinary redemption, at the option of the City, in whole, but not in part, at a redemption price equal to par plus accrued interest to the redemption date, upon or on any date after the occurrence of a Determination of Ineligibility. A "Determination of Ineligibility" means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which would have the effect of deeming, determining or rendering the Bonds not qualified for treatment as Qualified Build America Bonds under Section 54AA of the Code; (ii) the federal government discontinues the Build America Bonds direct payment program or reduces the refundable credit to the City with retroactive applicability to bonds issued prior to the date of such discontinuance or reduced refundable credit; or (iii) the receipt by the City of a written opinion of nationally recognized bond counsel selected by the City to the effect that the Bonds are not Qualified Build America Bonds under Section 54AA of the Code.

Bonds maturing in the years 2025, 2030, 2035, and 2040 shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

Term Bonds Maturing in 2025

Sinking Fund Payment Date	Aggregate Principal Amount
2022	$175,000
2023	190,000
2024	195,000
2025	205,000

Term Bonds Maturing in 2030

Sinking Fund Payment Date	Aggregate Principal Amount
2026	$215,000
2027	225,000
2028	235,000
2029	250,000
2030	265,000

Term Bonds Maturing in 2035		Term Bonds Maturing in 2040	
Sinking Fund Payment Date	Aggregate Principal Amount	Sinking Fund Payment Date	Aggregate Principal Amount
2031	$275,000	2036	$280,000
2032	295,000	2037	295,000
2033	310,000	2038	310,000
2034	330,000	2039	330,000
2035	345,000	2040	345,000

Notice of redemption shall be given as provided in the preceding paragraph.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City 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 City will cause a new Bond or Bonds to be issued in the name of the designated 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 any such transfer or exchange.

The City 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 as herein provided and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

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 City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to collect and apply to payment of the Bonds certain net revenues of the Systems, the federal direct payment credit described in Section 6431 of the Code and ad valorem taxes levied on all taxable property in the City, which revenues, direct payment credit and taxes are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such revenues and taxes to its Taxable

General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds - Direct Pay) Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the improvements financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

CITY OF EAST BETHEL, MINNESOTA

_____ _____

(facsimile signature – City Administrator) (facsimile signature – Mayor)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM - as tenants in common

UTMA ..... as Custodian for …….....
(Cust) (Minor)

TEN ENT - as tenants by the entireties

under Uniform Transfers to Minors Act ..……...
(State)

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

_____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

_____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

_____

[end of bond form]

SECTION 3. USE OF PROCEEDS. There is hereby established on the official books and records of the City a separate fund designated the Taxable General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds - Direct Pay) Construction Fund (the "Construction Fund"). The Construction Fund shall be maintained until all costs and expenses incurred by the City in connection with the construction of the Projects have been paid. To the Construction Fund there shall be credited from the proceeds of the Bonds the sum of $5,630,131.60, and from the Construction Fund there shall be paid all costs and expenses incurred in construction of the Projects. After payment of all such costs, the Construction Fund shall be discontinued.

At such time as the Project is completed the City shall apply any remaining balance in the Construction Fund, including any investment earnings having accrued therein, to the defeasance of a proportionate amount of the Bonds in accordance with Section 1.1001-3 of the Regulations, as amended, or in such other manner as the City's bond counsel shall approve.

SECTION 4. TAXABLE GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2010B (BUILD AMERICA BONDS - DIRECT PAY) BOND FUND. So long as any of the Bonds are outstanding and any principal or interest thereon unpaid, the City Administrator shall maintain on the official books and records of the City a separate fund designated the Taxable General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds - Direct Pay) Bond Fund (the "Bond Fund"). Into the Bond Fund shall be paid (a) the amounts specified in Section 3 above, (b) any amount in excess of the amounts credited to the Construction Fund as provided in Section 3 hereof received from the Purchaser upon delivery of the Bonds, (c) the net revenues described in Section 5 hereof, (d) any taxes collected pursuant to Section 6 hereof, (e) the federal direct payment credit expected to be received from the United States Treasury as described in Section 6431 of the Code, and (f) any other funds appropriated by the City Council for the payment of the Bonds. The principal of and interest on the Bonds shall be payable from the Bond Fund, and the money on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. If the balance on hand in the Bond Fund is at any time insufficient to pay principal and interest then due on the Bonds, such amounts shall be paid from other money on hand in other funds of the City, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. The City Council also covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to pay any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount set forth in (b) above. Thereafter, during each Bond Year (i.e., each twelve month period commencing on February 2 and ending on the following February 1), as monies are received into the Bond Fund, the City Administrator shall first deposit such monies into the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Administrator shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to

time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

SECTION 5. PLEDGE OF NET REVENUES. It is hereby found, determined and declared that the City owns and operates each System as a revenue-producing utility and convenience; and that the net operating revenues of each System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other pledged funds, for the payment when due of the principal of and interest on the Bonds herein authorized, and on any other bonds to which such revenues are pledged.

Pursuant to Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the registered owners from time to time of the Bonds, that until the Bonds and the interest thereon are discharged as provided in Section 7 or paid in full, the City will impose and collect reasonable charges in accordance with said Section 444.075 for the service, use and availability of the Systems according to schedules sufficient to produce net revenues sufficient, with other funds pledged to payment of the Bonds, to pay the Bonds and any other bonds to which said net revenues have been pledged; and the net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Bonds herein authorized and interest thereon when due. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of the net revenues of the Systems for payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the Systems will be sufficient, together with any other sources pledged to the payment of the outstanding and additional obligations, for payment of the outstanding bonds and such additional obligations. Such further pledges and appropriations of net revenues may be made superior or subordinate to or on a parity with, the pledge and appropriation herein made.

SECTION 6. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. However, it is presently estimated that the net revenues of the Systems, together with other funds to be appropriated by the City to the Bond Fund, will produce amounts not less than five percent in excess of the amounts needed to meet when due the principal and interest payments on the Bonds and therefore no ad valorem taxes are required to be levied at this time.

SECTION 7. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, 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 from the due date to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. The City may also at any

time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. General Tax Covenant. The City agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund will be expended solely for the payment of the costs of the Projects. The Projects are and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or other agreement with any non-governmental person relating to the use of the Projects, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Mayor and City Administrator being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be "arbitrage bonds" within the meaning of the Code and Regulations.

8.03. Arbitrage Rebate. The City acknowledges that the Bonds may be subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at

such times as are required under said Section 148(f) and applicable Regulations to preserve the status of the Bonds as Build America Bonds under Section 54AA of the Code, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

8.05. Reimbursement. The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Projects which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the City is in compliance with the relevant provisions of the American Recovery and Reinvestment Act of 2009 and unless the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Projects meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Projects as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

8.06. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before 365 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2010, the following financial information and operating data in respect of the City (the Disclosure Information):

(A) the audited financial statements of the City for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the City, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: City Property Values; City Indebtedness; and City Tax Rates, Levies and Collections.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet Web site of the Municipal Securities Rulemaking Board ("MSRB"). The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a "Material Fact"):

(A) Principal and interest payment delinquencies;
(B) Non-payment related defaults, if material;
(C) Unscheduled draws on debt service reserves reflecting financial difficulties;
(D) Unscheduled draws on credit enhancements reflecting financial difficulties;
(E) Substitution of credit or liquidity providers, or their failure to perform;
(F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(G) Modifications to rights of security holders, if material;
(H) Bond calls, if material, and tender offers;
(I) Defeasances;
(J) Release, substitution, or sale of property securing repayment of the securities, if material;
(K) Rating changes;
(L) Bankruptcy, insolvency, receivership or a similar event with respect to the obligated person;
(M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, a Material Fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but

subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
(C) the termination of the obligations of the City under this section pursuant to subsection (d);
(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
(E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

(1) The City agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).

(2) The City further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Bonds at the request of the City and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section

will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.01. Registration of Bonds. The City Administrator is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor, together with such additional information as the Auditor may require, and to obtain from the Auditor a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the Auditor's bond register.

9.02. Authentication of Transcript. The officers of the City and the County Auditor are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits

and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

9.03. Official Statement. The Official Statement relating to the Bonds, dated November 3, 2010, prepared and distributed by Springsted Incorporated, the financial consultant for the City, is hereby approved. Springsted Incorporated is hereby authorized on behalf of the City to prepare and deliver to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule l5c2-12 adopted by the SEC under the Securities and Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

9.04. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 17th day of November, 2010 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Greg Hunter, Mayor

ATTEST:

_____

Douglas Sell, City Administrator

CERTIFICATION OF MINUTES RELATING TO
$6,135,000 [TAXABLE] GENERAL OBLIGATION UTILITY REVENUE BONDS,
SERIES 2010B
[(BUILD AMERICA BONDS - DIRECT PAY)]

Issuer: City of East Bethel, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held November 17, 2010, at 7:30 o'clock P.M., at the City Hall in East Bethel, Minnesota.

Members present: Mayor Hunter, Council Members Boyer, Channer, Paavola and Voss

Members absent: All Present

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2010-67

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $6,135,000 [TAXABLE] GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2010B [(BUILD AMERICA BONDS - DIRECT PAY)]

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on November 17, 2010.

_____
City Administrator

It was reported that _____ proposals for the purchase of $6,135,000 [Taxable] General Obligation Utility Revenue Bonds, Series 2010B [(Build America Bonds - Direct Pay)] were received prior to 11:00 o'clock a.m., Central time, pursuant to the Official Statement distributed to potential purchasers of the Bonds by Springsted Incorporated, financial consultants to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

See Attached

RESOUTION NUMBER 2010-67

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $6,135,000 [TAXABLE] GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2010B [(BUILD AMERICA BONDS - DIRECT PAY)]

BE IT RESOLVED by the City Council, City of East Bethel, Minnesota (the "City"), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This City Council, by resolution duly adopted on October 20, 2010, authorized the issuance and sale of its $6,135,000 [Taxable] General Obligation Utility Revenue Bonds, Series 2010B [(Build America Bonds - Direct Pay)] (the "Bonds"), pursuant to Minnesota Statutes, Sections 444.075 and 115.46 and Chapter 475. Proceeds of the Bonds will be used to finance infrastructure projects in the City (the "Projects") including improvements to the City's sanitary sewer system and construction of a new water system (collectively, the "Systems").

1.02. Sale. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the City by Springsted Incorporated, sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The bids have been opened and publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of _____, in _____, _____ (the "Purchaser") to purchase the Bonds at a price of $_____ plus accrued interest on all Bonds to the date of issuance and delivery, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Administrator are hereby authorized and directed on behalf of the City to execute a contract for the sale of the Bonds with the Purchaser in accordance with the Terms of Proposal. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

[1.04. Build America Bonds Designation. The City hereby irrevocably designates the Bonds as "Build America Bonds," and irrevocably elects to have Section 54AA(g) of the Internal Revenue Code of 1986, as amended (the "Code"), apply to the Bonds, with the result that the City shall be entitled to the credit provided in Section 6431 of the Code.]

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of $5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

Year	Amount	Rate	Year	Amount	Rate
2016	$ 100,000	%	2029	$ 250,000	%
2017	100,000		2030	265,000	
2018	220,000		2031	275,000	
2019	225,000		2032	295,000	
2020	230,000		2033	310,000	
2021	180,000		2034	330,000	
2022	185,000		2035	345,000	
2023	190,000		2036	280,000	
2024	195,000		2037	295,000	
2025	205,000		2038	310,000	
2026	215,000		2039	330,000	
2027	225,000		2040	345,000	
2028	235,000				

[REVISE MATURITY SCHEDULE FOR ANY TERM BONDS]

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2011, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month immediately preceding the Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing in 2022 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in integral multiples of $5,000, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City

Administrator shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.06 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

[The Bonds are also subject to extraordinary redemption, at the option of the City, in whole, but not in part, at a redemption price equal to par plus accrued interest to the redemption date, upon or on any date after the occurrence of a Determination of Ineligibility. A "Determination of Ineligibility" means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which would have the effect of deeming, determining or rendering the Bonds not qualified for treatment as Qualified Build America Bonds under Section 54AA of the Code; (ii) the federal government discontinues the Build America Bonds direct payment program or reduces the refundable credit to the City with retroactive applicability to bonds issued prior to the date of such discontinuance or reduced refundable credit; or (iii) the receipt by the City of a written opinion of nationally recognized bond counsel selected by the City to the effect that the Bonds are not Qualified Build America Bonds under Section 54AA of the Code.]

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS - ADD ADDITIONAL PROVISIONS IF THERE ARE MORE THAN TWO TERM BONDS]

[Bonds maturing on February 1, 20____ and 20____ (the "Term Bonds") shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

Year	Principal Amount

The remaining $_____ stated principal amount of such Bonds shall be paid at maturity on February 1, 20____.

Year	Principal Amount

The remaining $_____ stated principal amount of such Bonds shall be paid at maturity on February 1, 20____.

Notice of redemption shall be given as provided in the preceding paragraph.]

2.05. Appointment of Registrar. The City hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the "Registrar"). The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the "Bond Register") in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds 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 such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than $5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount,

upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any 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 shall 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 City 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 the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof 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 Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall 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 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 the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the City agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of

Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA

CITY OF EAST BETHEL

[TAXABLE] GENERAL OBLIGATION UTILITY REVENUE BOND, SERIES 2010B
[(BUILD AMERICA BONDS - DIRECT PAY)]

Interest Rate	Maturity Date	Date of Original Issue	CUSIP No.
%	February 1, 20__	December 15, 2010	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF EAST BETHEL, State of Minnesota (the "City") 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 the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2011 (each such date, an "Interest Payment Date"), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month immediately preceding the Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, St. Paul, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar") or other agreed-upon means of payment by the Registrar or its designated successor.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of $6,135,000 issued pursuant to a resolution adopted by the City Council on November 17, 2010 (the "Resolution"), finance infrastructure projects in the City (the "Projects") including improvements to the City's sanitary sewer system and construction of a new water system (collectively, the "Systems"), and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 444.075 and 115.46 and Chapter 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of $5,000 or any integral multiple thereof, of single maturities.

Bonds maturing in 2022 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of $5,000, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

[The Bonds are also subject to extraordinary redemption, at the option of the City, in whole, but not in part, at a redemption price equal to par plus accrued interest to the redemption date, upon or on any date after the occurrence of a Determination of Ineligibility. A "Determination of Ineligibility" means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which would have the effect of deeming, determining or rendering the Bonds not qualified for treatment as Qualified Build America Bonds under Section 54AA of the Code; (ii) the federal government discontinues the Build America Bonds direct payment program or reduces the refundable credit to the City with retroactive applicability to bonds issued prior to the date of such discontinuance or reduced refundable credit; or (iii) the receipt by the City of a written opinion of nationally recognized bond counsel selected by the City to the effect that the Bonds are not Qualified Build America Bonds under Section 54AA of the Code.]

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS - ADD ADDITIONAL PROVISIONS IF THERE ARE MORE THAN TWO TERM BONDS]

[Bonds maturing in the years 20____ and 20____ shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

Term Bonds Maturing in 20--	Term Bonds Maturing in 20--

Sinking Fund Payment Date	Aggregate Principal Amount	Sinking Fund Payment Date	Aggregate Principal Amount
	$		$

Notice of redemption shall be given as provided in the preceding paragraph.]

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City 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 City will cause a new Bond or Bonds to be issued in the name of the designated 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 any such transfer or exchange.

[The Bonds have been designated by the City as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.]

The City 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 as herein provided and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

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 City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to collect and apply to payment of the Bonds certain net revenues of the Systems[, the federal direct payment credit described in Section 6431 of the Code] and ad valorem taxes levied on all taxable property in the City, which revenues[, direct payment credit] and taxes are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such revenues and taxes to its [Taxable] General Obligation Utility Revenue Bonds, Series 2010B [(Build America Bonds - Direct Pay)] Bond Fund for the payment of such principal and interest; that if necessary for the payment of

such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the improvements financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

CITY OF EAST BETHEL, MINNESOTA

_____ _____

(facsimile signature – City Administrator) (facsimile signature – Mayor)

_____

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Representative

_____

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM - as tenants in common UTMA ..... as Custodian for …….....
(Cust) (Minor)

TEN ENT - as tenants by the entireties under Uniform Transfers to Minors Act ..……...
(State)

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

_____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____ _____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

_____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

_____

[end of bond form]

SECTION 3. USE OF PROCEEDS. There is hereby established on the official books and records of the City a separate fund designated the [Taxable] General Obligation Utility Revenue Bonds, Series 2010B [(Build America Bonds - Direct Pay)] Construction Fund (the "Construction Fund"). The Construction Fund shall be maintained until all costs and expenses incurred by the City in connection with the construction of the Projects have been paid. To the Construction Fund there shall be credited from the proceeds of the Bonds the sum of $_____, and from the Construction Fund there shall be paid all costs and expenses

incurred in construction of the Projects. After payment of all such costs, the Construction Fund shall be discontinued.

[All funds on hand in the Construction Fund when terminated shall be credited to the Bond Fund described in Section 4 hereof, unless and except as such proceeds may be transferred to some other fund or account as to which the City has received from bond counsel an opinion that such other transfer is permitted by applicable laws and does not impair the exemption of interest on the Bonds from federal income taxes.] [At such time as the Project is completed the City shall apply any remaining balance in the Construction Fund, including any investment earnings having accrued therein, to the defeasance of a proportionate amount of the Bonds in accordance with Section 1.1001-3 of the Regulations, as amended, or in such other manner as the City's bond counsel shall approve.]

SECTION 4. <u>[TAXABLE] GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2010B [(BUILD AMERICA BONDS - DIRECT PAY)] BOND FUND</u>. So long as any of the Bonds are outstanding and any principal or interest thereon unpaid, the City Administrator shall maintain on the official books and records of the City a separate fund designated the [Taxable] General Obligation Utility Revenue Bonds, Series 2010B [(Build America Bonds - Direct Pay)] Bond Fund (the "Bond Fund"). Into the Bond Fund shall be paid (a) the amounts specified in Section 3 above, (b) any amount in excess of the amounts credited to the Construction Fund as provided in Section 3 hereof received from the Purchaser upon delivery of the Bonds, (c) the net revenues described in Section 5 hereof, (d) any taxes collected pursuant to Section 6 hereof, (e) [the federal direct payment credit expected to be received from the United States Treasury as described in Section 6431 of the Code, and (f)] any other funds appropriated by the City Council for the payment of the Bonds. The principal of and interest on the Bonds shall be payable from the Bond Fund, and the money on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. If the balance on hand in the Bond Fund is at any time insufficient to pay principal and interest then due on the Bonds, such amounts shall be paid from other money on hand in other funds of the City, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. The City Council also covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to pay any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount set forth in (b) above. Thereafter, during each Bond Year (i.e., each twelve month period commencing on February 2 and ending on the following February 1), as monies are received into the Bond Fund, the City Administrator shall first deposit such monies into the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Administrator shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to

time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

SECTION 5. PLEDGE OF NET REVENUES. It is hereby found, determined and declared that the City owns and operates each System as a revenue-producing utility and convenience; and that the net operating revenues of each System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other pledged funds, for the payment when due of the principal of and interest on the Bonds herein authorized, and on any other bonds to which such revenues are pledged.

Pursuant to Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the registered owners from time to time of the Bonds, that until the Bonds and the interest thereon are discharged as provided in Section 7 or paid in full, the City will impose and collect reasonable charges in accordance with said Section 444.075 for the service, use and availability of the Systems according to schedules sufficient to produce net revenues sufficient, with other funds pledged to payment of the Bonds, to pay the Bonds and any other bonds to which said net revenues have been pledged; and the net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Bonds herein authorized and interest thereon when due. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of the net revenues of the Systems for payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the Systems will be sufficient, together with any other sources pledged to the payment of the outstanding and additional obligations, for payment of the outstanding bonds and such additional obligations. Such further pledges and appropriations of net revenues may be made superior or subordinate to or on a parity with, the pledge and appropriation herein made.

SECTION 6. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. However, it is presently estimated that the net revenues of the Systems, together with other funds to be appropriated by the City to the Bond Fund, will produce amounts not less than five percent in excess of the amounts needed to meet when due the principal and interest payments on the Bonds and therefore no ad valorem taxes are required to be levied at this time.

SECTION 7. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, 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 from the due date to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. The City may also at any

time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. General Tax Covenant. The City agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds[, if the interest on the Bonds were intended to be tax-exempt,] to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds[, if the interest on the Bonds were intended to be tax-exempt,] will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund will be expended solely for the payment of the costs of the Projects. The Projects are and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or other agreement with any non-governmental person relating to the use of the Projects, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds[, if the interest on the Bonds were intended to be tax-exempt,] to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Mayor and City Administrator being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds[, if the interest on the Bonds were intended to be tax-exempt,] to be "arbitrage bonds" within the meaning of the Code and Regulations.

8.03. Arbitrage Rebate. The City acknowledges that the Bonds may be subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at

such times as are required under said Section 148(f) and applicable Regulations [to preserve the status of the Bonds as Build America Bonds under Section 54AA of the Code][to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes], unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

[8.04. Qualified Tax-Exempt Obligations. The City Council hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt governmental obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the City and all subordinate entities during calendar year 2010 does not exceed $30,000,000.]

8.05. Reimbursement. The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Projects which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, [the City is in compliance with the relevant provisions of the American Recovery and Reinvestment Act of 2009 and unless] the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Projects meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Projects as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

8.06. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register

maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before 365 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2010, the following financial information and operating data in respect of the City (the Disclosure Information):

(A) the audited financial statements of the City for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the City, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: City Property Values; City Indebtedness; and City Tax Rates, Levies and Collections.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet Web site of the Municipal Securities Rulemaking Board ("MSRB"). The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure

Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a "Material Fact"):

(A) Principal and interest payment delinquencies;
(B) Non-payment related defaults, if material;
(C) Unscheduled draws on debt service reserves reflecting financial difficulties;
(D) Unscheduled draws on credit enhancements reflecting financial difficulties;
(E) Substitution of credit or liquidity providers, or their failure to perform;
(F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(G) Modifications to rights of security holders, if material;
(H) Bond calls, if material, and tender offers;
(I) Defeasances;
(J) Release, substitution, or sale of property securing repayment of the securities, if material;
(K) Rating changes;
(L) Bankruptcy, insolvency, receivership or a similar event with respect to the obligated person;
(M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, a Material Fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a

Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
(C) the termination of the obligations of the City under this section pursuant to subsection (d);
(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
(E) any change in the fiscal year of the City.

(c) <u>Manner of Disclosure</u>.

(1) The City agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).

(2) The City further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Bonds at the request of the City and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.01. Registration of Bonds. The City Administrator is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor, together with such additional information as the Auditor may require, and to obtain from the Auditor a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the Auditor's bond register.

9.02. Authentication of Transcript. The officers of the City and the County Auditor are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

9.03. Official Statement. The Official Statement relating to the Bonds, dated November 3, 2010, prepared and distributed by Springsted Incorporated, the financial consultant for the City, is hereby approved. Springsted Incorporated is hereby authorized on behalf of the City to prepare and deliver to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule l5c2-12 adopted by the SEC under the Securities and Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

9.04. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 17th day of November, 2010 by the City Council of the City of East Bethel, Minnesota.

CITY OF EAST BETHEL

_____
Greg Hunter
Mayor

ATTEST:

_____
Douglas Sell
City Administrator/Clerk/Treasurer

ANOKA COUNTY AUDITOR'S
CERTIFICATE AS TO REGISTRATION AND TAX LEVY

The undersigned, being the duly qualified and acting County Auditor of Anoka County, Minnesota, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on November 17, 2010, by the City Council of East Bethel, Minnesota, setting forth the form and details of an issue of $6,135,000 [Taxable] General Obligation Utility Revenue Bonds, Series 2010B [(Build America Bonds - Direct Pay)], dated as of December 15, 2010.

I further certify that the issue has been entered on my bond register and the taxes required by law have been levied as required by Minnesota Statutes, Sections 475.61 to 475.63.

WITNESS my hand and official seal on the _____ day of November, 2010.

_____
Anoka County Auditor

(SEAL)

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 4.0 F

* *

Agenda Item:
Resolution 2010-68 2010, Series C, G.O. Utility Revenue Bonds

* *

Requested Action:
Consider adopting Resolution 2010-68 authorizing and directing the sale of 2010, Series C, G.O. Utility Revenue Bonds

* *

Background Information:
At the October 20, 2010 City Council meeting, Council directed that several actions be taken to secure bids for the sale of G.O. Utility Revenue Bonds. One such action was to solicit bids from investment bankers and banks for the sale of these bonds.

The bid was advertised on November 10, 2010 on the electronic bidding platform used for this purpose called "Parity." In addition, the proposal was provided to seven potential underwriters. The bid closing date is November 17, 2010. Mr. Paul Steinman from Springsted, Inc. will compile the bid results for this bond issue and provide the tabulations on the evening of November 17, 2010.

We have provided the Resolution, less the award information, for your review. Mr. Steinman will provide updated information.

Attachment(s):

1. Resolution 2010-68 Authorizing and Directing the Sale of G.O. Utility Revenue Bonds 2010, Series C

* *

Fiscal Impact:
Mr. Steinman will provide additional information regarding the interest and debt service schedules on November 17, 2010

* *

Recommendation(s):
Staff is seeking direction from City Council regarding adoption of Resolution 2010-68, A Resolution Authorizing and Directing the Sale and Issuance of G.O. Utility Revenue Bonds 2010, Series C.

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

CERTIFICATION OF MINUTES RELATING TO
$1,260,000 TAXABLE GENERAL OBLIGATION BONDS,
SERIES 2010C

Issuer: City of East Bethel, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held November 17, 2010, at 7:30 o'clock P.M., at the City Hall in East Bethel, Minnesota.

Members present: Mayor Hunter, Council Members Boyer, Channer and Paavola

Members absent: Council Member Voss

Documents Attached:
Minutes of said meeting (including):

RESOLUTION NO. 2010-68

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $1,260,000 TAXABLE GENERAL OBLIGATION BONDS, SERIES 2010C

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on November 17, 2010.

_____
City Administrator

It was reported that two (2) proposals for the purchase of $1,260,000 Taxable General Obligation Bonds, Series 2010C were received prior to 11:00 o'clock a.m., Central time, pursuant to the Official Statement distributed to potential purchasers of the Bonds by Springsted Incorporated, financial consultants to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

See Attached

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2010 -68

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $1,260,000 TAXABLE GENERAL OBLIGATION BONDS, SERIES 2010C

BE IT RESOLVED by the City Council, City of East Bethel, Minnesota (the "City"), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. It is hereby determined to be in the best interests of the City to issue its Taxable General Obligation Bonds, Series 2010C (the "Bonds"), in the principal amount of $1,260,000, pursuant to Minnesota Statutes, Sections 444.075 and 115.46 and Chapter 475, to finance infrastructure projects in the City (the "Projects") including improvements to the City's sanitary sewer system and construction of a new water system (collectively, the "Systems").

1.02. Sale. The City has retained Springsted Incorporated as independent financial advisor in connection with the sale of the Bonds. Pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), the requirements as to public sale do not apply to the issuance of the Bonds. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the City by Springsted Incorporated, sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The bids have been opened and publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Northland Securities Incorporated, in Minneapolis, Minnesota (the "Purchaser") to purchase the Bonds at a price of $1,255,228.35 plus accrued interest on all Bonds to the date of issuance and delivery, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Administrator are hereby authorized and directed on behalf of the City to execute a contract for the sale of the Bonds with the Purchaser in accordance with the Terms of Proposal. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of $5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

Year	Amount	Rate	Year	Amount	Rate
2016	$695,000	3.20%	2017	$565,000	3.45%

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2011, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month immediately preceding the Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. The Bonds shall not be subject to optional redemption prior to their stated maturity dates.

2.05. Appointment of Registrar. The City hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the "Registrar"). The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the "Bond Register") in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds 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 such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than $5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any 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 shall 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 City 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 the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof 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 Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall 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 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 the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the City agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC

of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA

CITY OF EAST BETHEL

TAXABLE GENERAL OBLIGATION BOND, SERIES 2010C

Interest Rate	Maturity Date	Date of Original Issue	CUSIP No.
%	February 1, 20__	December 15, 2010	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF EAST BETHEL, State of Minnesota (the "City") 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 the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2011 (each such date, an "Interest Payment Date"), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month immediately preceding the Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, St. Paul, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar") or other agreed-upon means of payment by the Registrar or its designated successor.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of $1,260,000 issued pursuant to a resolution adopted by the City Council on November 17, 2010 (the "Resolution"), finance infrastructure projects in the City (the "Projects") including improvements to the City's sanitary sewer system and construction of a new water system (collectively, the "Systems"), and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 444.075 and 115.46 and Chapter 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of $5,000 or any integral multiple thereof, of single maturities.

The Bonds shall not be subject to optional redemption prior to their stated maturity dates.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City 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 City will cause a new Bond or Bonds to be issued in the name of the designated 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 any such transfer or exchange.

The City 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 as herein provided and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

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 City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to collect and apply to payment of the Bonds certain net revenues of the Systems and ad valorem taxes levied on all taxable property in the City, which revenues and taxes are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such revenues and taxes to its Taxable General Obligation Bonds, Series 2010C Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the improvements financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

CITY OF EAST BETHEL, MINNESOTA

_____ _____

(facsimile signature – City Administrator) (facsimile signature – Mayor)

_____

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Representative

_____

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM - as tenants in common UTMA ..... as Custodian for …….....
(Cust) (Minor)

TEN ENT - as tenants by the entireties under Uniform Transfers to Minors Act ..……...
(State)

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

_____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney

to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____ _____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

_____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

_____

[end of bond form]

SECTION 3. USE OF PROCEEDS. There is hereby established on the official books and records of the City a separate fund designated the Taxable General Obligation Bonds, Series 2010C Construction Fund (the "Construction Fund"). The Construction Fund shall be maintained until all costs and expenses incurred by the City in connection with the construction of the Projects have been paid. To the Construction Fund there shall be credited from the proceeds of the Bonds the sum of $1,058,000.00, and from the Construction Fund there shall be paid all costs and expenses incurred in construction of the Projects. After payment of all such costs, the Construction Fund shall be discontinued. All funds on hand in the Construction Fund when terminated shall be credited to the Bond Fund described in Section 4 hereof.

SECTION 4. TAXABLE GENERAL OBLIGATION BONDS, SERIES 2010C BOND FUND. So long as any of the Bonds are outstanding and any principal or interest thereon unpaid, the City Administrator shall maintain on the official books and records of the City a separate fund designated the Taxable General Obligation Bonds, Series 2010C Bond Fund (the "Bond Fund"). Into the Bond Fund shall be paid (a) the amounts specified in Section 3 above, (b) any amount in excess of the amounts credited to the Construction Fund as provided in Section 3 hereof received from the Purchaser upon delivery of the Bonds, (c) the net revenues described in Section 5 hereof, (d) any taxes collected pursuant to Section 6 hereof, and (e) any other funds appropriated

by the City Council for the payment of the Bonds. The principal of and interest on the Bonds shall be payable from the Bond Fund, and the money on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. If the balance on hand in the Bond Fund is at any time insufficient to pay principal and interest then due on the Bonds, such amounts shall be paid from other money on hand in other funds of the City, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. The City Council also covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to pay any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount set forth in (b) above. Thereafter, during each Bond Year (i.e., each twelve month period commencing on February 2 and ending on the following February 1), as monies are received into the Bond Fund, the City Administrator shall first deposit such monies into the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Administrator shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

SECTION 5. PLEDGE OF NET REVENUES. It is hereby found, determined and declared that the City owns and operates each System as a revenue-producing utility and convenience; and that the net operating revenues of each System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other pledged funds, for the payment when due of the principal of and interest on the Bonds herein authorized, and on any other bonds to which such revenues are pledged.

Pursuant to Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the registered owners from time to time of the Bonds, that until the Bonds and the interest thereon are discharged as provided in Section 7 or paid in full, the City will impose and collect reasonable charges in accordance with said Section 444.075 for the service, use and availability of the Systems according to schedules sufficient to produce net revenues sufficient, with other funds pledged to payment of the Bonds, to pay the Bonds and any other bonds to which said net revenues have been pledged; and the net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Bonds herein authorized and interest thereon when due. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of the net revenues of the Systems for payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the Systems will be sufficient, together with any other sources pledged to the payment of the outstanding and additional obligations, for payment of the outstanding bonds and such additional obligations. Such further pledges and

appropriations of net revenues may be made superior or subordinate to or on a parity with, the pledge and appropriation herein made.

SECTION 6. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. However, it is presently estimated that the net revenues of the Systems, together with other funds to be appropriated by the City to the Bond Fund, will produce amounts not less than five percent in excess of the amounts needed to meet when due the principal and interest payments on the Bonds and therefore no ad valorem taxes are required to be levied at this time.

SECTION 7. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, 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 from the due date to the date of such deposit. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation, if the interest on the Bonds were intended to be tax-exempt, and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates.

SECTION 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. General Tax Covenant. The City agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund will be expended solely for the payment of the costs of the Projects. The Projects are and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or

other agreement with any non-governmental person relating to the use of the Projects, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Mayor and City Administrator being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be "arbitrage bonds" within the meaning of the Code and Regulations.

8.03. Arbitrage Rebate. The City acknowledges that the Bonds may be subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, if the interest on the Bonds were intended to be tax-exempt, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

8.04. Reimbursement. The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Projects which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Projects meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Projects as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

8.05. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the

Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before 365 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2010, the following financial information and operating data in respect of the City (the "Disclosure Information"):

(A) the audited financial statements of the City for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the City, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: City Property Values; City Indebtedness; and City Tax Rates, Levies and Collections.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in

the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet Web site of the Municipal Securities Rulemaking Board ("MSRB"). The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a "Material Fact"):

(A) Principal and interest payment delinquencies;
(B) Non-payment related defaults, if material;
(C) Unscheduled draws on debt service reserves reflecting financial difficulties;
(D) Unscheduled draws on credit enhancements reflecting financial difficulties;
(E) Substitution of credit or liquidity providers, or their failure to perform;
(F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(G) Modifications to rights of security holders, if material;
(H) Bond calls, if material, and tender offers;
(I) Defeasances;
(J) Release, substitution, or sale of property securing repayment of the securities, if material;
(K) Rating changes;
(L) Bankruptcy, insolvency, receivership or a similar event with respect to the obligated person;
(M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a

definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, a Material Fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);

(C) the termination of the obligations of the City under this section pursuant to subsection (d);

(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and

(E) any change in the fiscal year of the City.

(c) <u>Manner of Disclosure</u>.

(1) The City agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).

(2) The City further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Bonds at the request of the City and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the

reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.01. Registration of Bonds. The City Administrator is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor, together with such additional information as the Auditor may require, and to obtain from the Auditor a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the Auditor's bond register.

9.02. Authentication of Transcript. The officers of the City and the County Auditor are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

9.03. Official Statement. The Official Statement relating to the Bonds, dated November 3, 2010, prepared and distributed by Springsted Incorporated, the financial consultant for the City, is hereby approved. Springsted Incorporated is hereby authorized on behalf of the City to prepare and deliver to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule l5c2-12 adopted by the SEC under the Securities and Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

9.04. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 17th day of November, 2010 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Greg Hunter, Mayor

ATTEST:

_____

Douglas Sell, City Administrator

CERTIFICATION OF MINUTES RELATING TO
$925,000 TAXABLE GENERAL OBLIGATION BONDS,
SERIES 2010C

Issuer: City of East Bethel, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held November 17, 2010, at 7:30 o'clock P.M., at the City Hall in East Bethel, Minnesota.

Members present: Mayor Hunter, Council Members Boyer, Channer, Paavola and Voss

Members absent: All present

Documents Attached:
Minutes of said meeting (including):

RESOLUTION NO. 2010-68

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $925,000 TAXABLE GENERAL OBLIGATION BONDS, SERIES 2010C

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on November 17, 2010.

_____
City Administrator

It was reported that _____ proposals for the purchase of $925,000 Taxable General Obligation Bonds, Series 2010C were received prior to 11:00 o'clock a.m., Central time, pursuant to the Official Statement distributed to potential purchasers of the Bonds by Springsted Incorporated, financial consultants to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

See Attached

RESOLUTION NUMBER 2010-68

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $925,000 TAXABLE GENERAL OBLIGATION BONDS, SERIES 2010C

BE IT RESOLVED by the City Council, City of East Bethel, Minnesota (the "City"), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. It is hereby determined to be in the best interests of the City to issue its Taxable General Obligation Bonds, Series 2010C (the "Bonds"), in the principal amount of $925,000, pursuant to Minnesota Statutes, Sections 444.075 and 115.46 and Chapter 475, to finance infrastructure projects in the City (the "Projects") including improvements to the City's sanitary sewer system and construction of a new water system (collectively, the "Systems").

1.02. Sale. The City has retained Springsted Incorporated as independent financial advisor in connection with the sale of the Bonds. Pursuant to Minnesota Statutes, Section 475.60, Subdivision 2, paragraph (9), the requirements as to public sale do not apply to the issuance of the Bonds. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the City by Springsted Incorporated, sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The bids have been opened and publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of _____, in _____, _____ (the "Purchaser") to purchase the Bonds at a price of $_____ plus accrued interest on all Bonds to the date of issuance and delivery, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Administrator are hereby authorized and directed on behalf of the City to execute a contract for the sale of the Bonds with the Purchaser in accordance with the Terms of Proposal. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of $5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and

amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

Year	Amount	Rate	Year	Amount	Rate
2016	$ 635,000	%	2017	$ 290,000	%

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2011, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month immediately preceding the Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. The Bonds shall not be subject to optional redemption prior to their stated maturity dates.

2.05. Appointment of Registrar. The City hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the "Registrar"). The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the "Bond Register") in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein

shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds 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 such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than $5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any 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 shall 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 City 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 the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof 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 Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall 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 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 the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the City agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its

responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA

CITY OF EAST BETHEL

TAXABLE GENERAL OBLIGATION BOND, SERIES 2010C

Interest Rate	Maturity Date	Date of Original Issue	CUSIP No.
%	February 1, 20__	December 15, 2010	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF EAST BETHEL, State of Minnesota (the "City") 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 the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2011 (each such date, an "Interest Payment Date"), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month immediately preceding the Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, St. Paul, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar") or other agreed-upon means of payment by the Registrar or its designated successor.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of $925,000 issued pursuant to a resolution adopted by the City Council on November 17, 2010 (the "Resolution"), finance infrastructure projects in the City (the "Projects") including improvements to the City's sanitary sewer system and construction of a new water system (collectively, the "Systems"), and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 444.075 and 115.46 and Chapter 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of $5,000 or any integral multiple thereof, of single maturities.

The Bonds shall not be subject to optional redemption prior to their stated maturity dates.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City 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 City will cause a new Bond or Bonds to be issued in the name of the designated 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 any such transfer or exchange.

The City 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 as herein provided and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

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 City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to collect and apply to payment of the Bonds certain net revenues of the Systems and ad valorem taxes levied on all taxable property in the City, which revenues and taxes are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such revenues and taxes to its Taxable General Obligation Bonds, Series 2010C Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the improvements financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

CITY OF EAST BETHEL, MINNESOTA

_____ _____

(facsimile signature – City Administrator) (facsimile signature – Mayor)

_____

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Representative

_____

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM - as tenants in common UTMA ..... as Custodian for …….....
(Cust) (Minor)

TEN ENT - as tenants by the entireties under Uniform Transfers to Minors Act ..……...
(State)

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

_____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney

to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____ _____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

_____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

_____

[end of bond form]

SECTION 3. USE OF PROCEEDS. There is hereby established on the official books and records of the City a separate fund designated the Taxable General Obligation Bonds, Series 2010C Construction Fund (the "Construction Fund"). The Construction Fund shall be maintained until all costs and expenses incurred by the City in connection with the construction of the Projects have been paid. To the Construction Fund there shall be credited from the proceeds of the Bonds the sum of $_____, and from the Construction Fund there shall be paid all costs and expenses incurred in construction of the Projects. After payment of all such costs, the Construction Fund shall be discontinued. All funds on hand in the Construction Fund when terminated shall be credited to the Bond Fund described in Section 4 hereof.

SECTION 4. TAXABLE GENERAL OBLIGATION BONDS, SERIES 2010C BOND FUND. So long as any of the Bonds are outstanding and any principal or interest thereon unpaid, the City Administrator shall maintain on the official books and records of the City a separate fund designated the Taxable General Obligation Bonds, Series 2010C Bond Fund (the "Bond Fund"). Into the Bond Fund shall be paid (a) the amounts specified in Section 3 above, (b) any amount in excess of the amounts credited to the Construction Fund as provided in Section 3 hereof received from the Purchaser upon delivery of the Bonds, (c) the net revenues described in Section 5 hereof, (d) any taxes collected pursuant to Section 6 hereof, and (e) any other funds appropriated

by the City Council for the payment of the Bonds. The principal of and interest on the Bonds shall be payable from the Bond Fund, and the money on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. If the balance on hand in the Bond Fund is at any time insufficient to pay principal and interest then due on the Bonds, such amounts shall be paid from other money on hand in other funds of the City, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. The City Council also covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to pay any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount set forth in (b) above. Thereafter, during each Bond Year (i.e., each twelve month period commencing on February 2 and ending on the following February 1), as monies are received into the Bond Fund, the City Administrator shall first deposit such monies into the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Administrator shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

SECTION 5. PLEDGE OF NET REVENUES. It is hereby found, determined and declared that the City owns and operates each System as a revenue-producing utility and convenience; and that the net operating revenues of each System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other pledged funds, for the payment when due of the principal of and interest on the Bonds herein authorized, and on any other bonds to which such revenues are pledged.

Pursuant to Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the registered owners from time to time of the Bonds, that until the Bonds and the interest thereon are discharged as provided in Section 7 or paid in full, the City will impose and collect reasonable charges in accordance with said Section 444.075 for the service, use and availability of the Systems according to schedules sufficient to produce net revenues sufficient, with other funds pledged to payment of the Bonds, to pay the Bonds and any other bonds to which said net revenues have been pledged; and the net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Bonds herein authorized and interest thereon when due. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of the net revenues of the Systems for payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the Systems will be sufficient, together with any other sources pledged to the payment of the outstanding and additional obligations, for payment of the outstanding bonds and such additional obligations. Such further pledges and

appropriations of net revenues may be made superior or subordinate to or on a parity with, the pledge and appropriation herein made.

SECTION 6. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. However, it is presently estimated that the net revenues of the Systems, together with other funds to be appropriated by the City to the Bond Fund, will produce amounts not less than five percent in excess of the amounts needed to meet when due the principal and interest payments on the Bonds and therefore no ad valorem taxes are required to be levied at this time.

SECTION 7. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, 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 from the due date to the date of such deposit. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation, if the interest on the Bonds were intended to be tax-exempt, and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates.

SECTION 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. General Tax Covenant. The City agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund will be expended solely for the payment of the costs of the Projects. The Projects are and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or

other agreement with any non-governmental person relating to the use of the Projects, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Mayor and City Administrator being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be "arbitrage bonds" within the meaning of the Code and Regulations.

8.03. Arbitrage Rebate. The City acknowledges that the Bonds may be subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, if the interest on the Bonds were intended to be tax-exempt, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

8.04. Reimbursement. The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Projects which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Projects meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Projects as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

8.05. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the

Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before 365 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2010, the following financial information and operating data in respect of the City (the "Disclosure Information"):

(A) the audited financial statements of the City for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the City, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: City Property Values; City Indebtedness; and City Tax Rates, Levies and Collections.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in

the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet Web site of the Municipal Securities Rulemaking Board ("MSRB"). The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a "Material Fact"):

(A) Principal and interest payment delinquencies;
(B) Non-payment related defaults, if material;
(C) Unscheduled draws on debt service reserves reflecting financial difficulties;
(D) Unscheduled draws on credit enhancements reflecting financial difficulties;
(E) Substitution of credit or liquidity providers, or their failure to perform;
(F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(G) Modifications to rights of security holders, if material;
(H) Bond calls, if material, and tender offers;
(I) Defeasances;
(J) Release, substitution, or sale of property securing repayment of the securities, if material;
(K) Rating changes;
(L) Bankruptcy, insolvency, receivership or a similar event with respect to the obligated person;
(M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a

definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, a Material Fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);

(C) the termination of the obligations of the City under this section pursuant to subsection (d);

(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and

(E) any change in the fiscal year of the City.

(c) <u>Manner of Disclosure</u>.

(1) The City agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).

(2) The City further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Bonds at the request of the City and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the

reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.01. Registration of Bonds. The City Administrator is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor, together with such additional information as the Auditor may require, and to obtain from the Auditor a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the Auditor's bond register.

9.02. Authentication of Transcript. The officers of the City and the County Auditor are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

9.03. Official Statement. The Official Statement relating to the Bonds, dated November 3, 2010, prepared and distributed by Springsted Incorporated, the financial consultant for the City, is hereby approved. Springsted Incorporated is hereby authorized on behalf of the City to prepare and deliver to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule l5c2-12 adopted by the SEC under the Securities and Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

9.04. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 17th day of November, 2010 by the City Council of the City of East Bethel, Minnesota.

CITY OF EAST BETHEL

_____

Greg Hunter
Mayor

ATTEST:

_____

Douglas Sell
City Administrator/Clerk/Treasurer

ANOKA COUNTY AUDITOR'S
CERTIFICATE AS TO REGISTRATION AND TAX LEVY

The undersigned, being the duly qualified and acting County Auditor of Anoka County, Minnesota, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on November 17, 2010, by the City Council of East Bethel, Minnesota, setting forth the form and details of an issue of $925,000 Taxable General Obligation Bonds, Series 2010C, dated as of December 15, 2010.

I further certify that the issue has been entered on my bond register and the taxes required by law have been levied as required by Minnesota Statutes, Sections 475.61 to 475.63.

WITNESS my hand and official seal on the _____ day of November, 2010.

_____
Anoka County Auditor

(SEAL)

Bills to be Approved for Payment November 17, 2010	$143,421.30
Electronic Payments	$25,298.30
Payroll Elections - November 10, 2010	$4,210.74
Payroll City Staff - November 10, 2010	$35,068.45

Total to be Approved for Payment November 17, 2010	$207,998.79

Approved by Council Member:

Steve Voss	Kathy Paavola	Greg Hunter	Steve Channer	Bill Boyer

City of East Bethel

November 17, 2010

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Arena Operations	Auto/Misc Licensing Fees/Taxes	B42 ABR0013968	MN Dept Labor & Industry	615	49851	30.00
Arena Operations	Bldgs/Facilities Repair/Maint	81377	Becker Arena Products, In	615	49851	453.23
Arena Operations	Bldgs/Facilities Repair/Maint	102110	Connexus Energy	615	49851	21.32
Arena Operations	Bldgs/Facilities Repair/Maint	8495	Vogel Sheet Metal, Inc.	615	49851	588.00
Arena Operations	Bldgs/Facilities Repair/Maint	8494	Vogel Sheet Metal, Inc.	615	49851	5,987.00
Arena Operations	Concession for Resale	106330	Al's Coffee	615	49851	484.49
Arena Operations	Concession for Resale	405342	Indianhead Foodservice Distrib	615	49851	651.83
Arena Operations	Concession for Resale	138274026	Midwest Coca Cola Bottling	615	49851	869.20
Arena Operations	Concession for Resale	791763	The Watson Co, Inc.	615	49851	248.69
Arena Operations	Concession for Resale	791921	The Watson Co, Inc.	615	49851	30.38
Arena Operations	Electric Utilities	102110	Connexus Energy	615	49851	4,743.60
Arena Operations	Bldgs/Facilities Repair/Maint	111010	Gary F. Gilpin	615	49851	160.00
Arena Operations	Motor Fuels	1035533894	Ferrellgas	615	49851	246.46
Arena Operations	Professional Services Fees	27	Gibson's Management Company	615	49851	8,693.72
Arena Operations	Telephone	110110	Qwest	615	49851	110.17
Building Inspection	Motor Fuels	1824515	Lubricant Technologies, Inc.	101	42410	232.23
Building Inspection	Motor Fuels	1834495	Lubricant Technologies, Inc.	101	42410	330.75
Cedar Creek Trail Project	Architect/Engineering Fees	27418	Hakanson Anderson Assoc. Inc.	402	43124	9,150.81
Central Services/Supplies	Information Systems	40483	US Cable	101	48150	1,331.44
Central Services/Supplies	Office Equipment Rental	162908651	Loffler Companies, Inc.	101	48150	430.77
Central Services/Supplies	Office Supplies	538435604001	Office Depot	101	48150	40.42
Central Services/Supplies	Office Supplies	538337148001	Office Depot	101	48150	0.98
Central Services/Supplies	Office Supplies	538435565001	Office Depot	101	48150	3.38
Central Services/Supplies	Office Supplies	538030066001	Office Depot	101	48150	145.30
Central Services/Supplies	Office Supplies	538602347001	Office Depot	101	48150	14.79
Central Services/Supplies	Office Supplies	B101012000V1	Tech Depot	101	48150	30.45
Central Services/Supplies	Telephone	102810	Qwest	101	48150	230.50
Cty HRA Grant Utility System	Legal Notices	48666	SGC Horizon LLC	228	22800	1,410.37
Engineering	Architect/Engineering Fees	27421	Hakanson Anderson Assoc. Inc.	101	43110	4,638.61
Fire Department	Bldgs/Facilities Repair/Maint	102110	Connexus Energy	101	42210	5.32
Fire Department	Conferences/Meetings	110110	Arden Anderson	101	42210	155.64
Fire Department	Conferences/Meetings	8377	F.I.R.E.	101	42210	700.00
Fire Department	Conferences/Meetings	1319440	Walters Recycling, Inc.	101	42210	310.35
Fire Department	Electric Utilities	102110	Connexus Energy	101	42210	550.16
Fire Department	Employer Paid Expenses	9744760	Hamline University	231	42210	1,300.00
Fire Department	Employer Paid Expenses	111110	Kalli Haapoja	231	42210	454.25
Fire Department	Employer Paid Expenses	100015776	Soderquist's Market	231	42210	73.90
Fire Department	Fire Pension Contribution-City	110410	East Bethel Fire Relief	231	42210	2,719.97
Fire Department	Motor Fuels	1824515	Lubricant Technologies, Inc.	101	42210	369.46
Fire Department	Motor Fuels	1834495	Lubricant Technologies, Inc.	101	42210	526.20
Fire Department	Motor Fuels	1824514	Lubricant Technologies, Inc.	101	42210	304.93
Fire Department	Motor Fuels	1834494	Lubricant Technologies, Inc.	101	42210	326.53
Fire Department	Motor Vehicles	18887	Alex Air Apparatus, Inc.	701	42210	16,865.02
Fire Department	Motor Vehicles	4042044731	HSBC Business Solutions	701	42210	336.50
Fire Department	Motor Vehicles	22693541	HSBC Business Solutions	701	42210	320.60
Fire Department	Motor Vehicles	880628	W.S. Darley & Co.	701	42210	558.75
Fire Department	Motor Vehicles	880632	W.S. Darley & Co.	701	42210	475.15
Fire Department	Motor Vehicles	882370	W.S. Darley & Co.	701	42210	2,063.13
Fire Department	Motor Vehicles	881214	W.S. Darley & Co.	701	42210	317.74
Fire Department	Professional Services Fees	110110	City of East Bethel	231	42210	1,666.67
Fire Department	Professional Services Fees	16582	Med Compass, Inc.	101	42210	75.00
Fire Department	Repairs/Maint Machinery/Equip	94606	Ready Watt Electric	101	42210	4,978.42

City of East Bethel

November 17, 2010

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Fire Department	Safety Supplies	II10012282	Allina Health System	101	42210	536.48
Fire Department	Safety Supplies	80497767	Bound Tree Medical, LLC	101	42210	158.62
Fire Department	Small Tools and Minor Equip	17947	Ancom Communications	101	42210	16.57
Fire Department	Small Tools and Minor Equip	18124	Ancom Communications	101	42210	16.57
Fire Department	Small Tools and Minor Equip	17945	Ancom Communications	101	42210	16.57
Fire Department	Small Tools and Minor Equip	110910	Mark DuCharme	231	42210	112.59
Fire Department	Software Licensing	10392	High Country Fire Equip, Inc.	101	42210	212.00
Fire Department	Telephone	102810	Qwest	101	42210	412.22
Fire Department	Travel Expenses	110110	Arden Anderson	231	42210	252.00
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	470545339	Cintas Corporation #470	101	41940	19.85
General Govt Buildings/Plant	Repairs/Maint Machinery/Equip	111010	Gary F. Gilpin	101	41940	240.00
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	14662	GHP Enterprises, Inc.	101	41940	368.72
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	455408-10-10	Premium Waters, Inc.	101	41940	25.14
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	507755-10-10	Premium Waters, Inc.	101	41940	22.14
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	115576	Robert B. Hill Company	101	41940	19.24
General Govt Buildings/Plant	Electric Utilities	102110	Connexus Energy	101	41940	763.33
General Govt Buildings/Plant	Repairs/Maint Machinery/Equip	88643	Menards Cambridge	101	41940	21.25
Housing & Redevelopment Author	Legal Fees	110910	Randall and Goodrich, P.L.C.	230	23000	753.50
Legal	Legal Fees	102810	Carson, Clelland & Schreder	101	41610	6,825.66
Legal	Legal Fees	110910	Randall and Goodrich, P.L.C.	101	41610	935.75
MSA Street Construction	Architect/Engineering Fees	27419	Hakanson Anderson Assoc. Inc.	402	40200	167.91
MSA Street Construction	Architect/Engineering Fees	27416	Hakanson Anderson Assoc. Inc.	402	40200	360.00
Park Acquisition/Development	Architect/Engineering Fees	27419	Hakanson Anderson Assoc. Inc.	404	40400	559.72
Park Maintenance	Architect/Engineering Fees	27421	Hakanson Anderson Assoc. Inc.	101	43201	180.38
Park Maintenance	Architect/Engineering Fees	27421	Hakanson Anderson Assoc. Inc.	101	43201	443.36
Park Maintenance	Bldgs/Facilities Repair/Maint	7913	Great Northern Landscapes, Inc	101	43201	884.00
Park Maintenance	Clothing & Personal Equipment	470545340	Cintas Corporation #470	101	43201	34.17
Park Maintenance	Clothing & Personal Equipment	470548706	Cintas Corporation #470	101	43201	34.17
Park Maintenance	Electric Utilities	102110	Connexus Energy	101	43201	514.90
Park Maintenance	Motor Fuels	1834494	Lubricant Technologies, Inc.	101	43201	627.93
Park Maintenance	Motor Fuels	1834495	Lubricant Technologies, Inc.	101	43201	451.03
Park Maintenance	Motor Fuels	1824514	Lubricant Technologies, Inc.	101	43201	586.41
Park Maintenance	Motor Fuels	1824515	Lubricant Technologies, Inc.	101	43201	316.67
Park Maintenance	Other Equipment Rentals	41877	Jimmy's Johnnys, Inc.	101	43201	559.02
Park Maintenance	Park/Landscaping Materials	S2779200.001	Pipeline Supply, Inc.	101	43201	93.78
Park Maintenance	Park/Landscaping Materials	S2779005.001	Pipeline Supply, Inc.	101	43201	166.92
Park Maintenance	Professional Services Fees	2002-1102	Swift Housemoving	101	43201	9,400.00
Park Maintenance	Repairs/Maint Machinery/Equip	1099	Access Lock & Key, LLC	101	43201	65.00
Park Maintenance	Telephone	110110	Qwest	101	43201	6.05
Payroll	Insurance Premium	40483	MN NCPERS Life Ins	101		144.00
Payroll	Union Dues	40483	MN Teamsters No. 320	101		595.35
Planning and Zoning	Architect/Engineering Fees	27414	Hakanson Anderson Assoc. Inc.	921		584.30
Planning and Zoning	Architect/Engineering Fees	27414	Hakanson Anderson Assoc. Inc.	911		165.00
Planning and Zoning	Escrow Reimb	110110	Adam Sheppard	920		300.00
Planning and Zoning	Filing Fees	100110	Anoka County Property Records	101	41910	92.00
Planning and Zoning	Legal Fees	110910	Randall and Goodrich, P.L.C.	921		536.75
Planning and Zoning	Professional Services Fees	343	GIS Rangers	101	41910	546.75
Police	Professional Services Fees	100482	Gopher State One-Call	101	42110	5.80
Police	Professional Services Fees	40483	Gratitude Farms	101	42110	295.81
Recycling Operations	Bldgs/Facilities Repair/Maint	77057	Aker Doors, Inc.	226	43235	155.00
Recycling Operations	Bldgs/Facilities Repair/Maint	9373729749	Grainger	226	43235	258.87
Recycling Operations	Electric Utilities	102110	Connexus Energy	226	43235	95.21

City of East Bethel

November 17, 2010

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Recycling Operations	Hazardous Waste Disposal	2028156	OSI Environmental, Inc.	226	43235	60.00
Recycling Operations	Other Equipment Rentals	41877	Jimmy's Johnnys, Inc.	226	43235	91.81
Recycling Operations	Professional Services Fees	40483	Cedar East Bethel Lions	226	43235	1,000.00
Recycling Operations	Travel Expenses	110110	Janet Haapoja	226	43235	17.00
Sewer Operations	Bldgs/Facilities Repair/Maint	102110	Connexus Energy	602	49451	24.53
Sewer Operations	Chemicals and Chem Products	3165701 RI	Hawkins, Inc	602	49451	3,842.47
Sewer Operations	Chemicals and Chem Products	3170708 RI	Hawkins, Inc	602	49451	5.00
Sewer Operations	Cleaning Supplies	21724	Menards - Forest Lake	602	49451	5.32
Sewer Operations	Electric Utilities	102110	Connexus Energy	602	49451	549.44
Sewer Operations	Electric Utilities	102110	Connexus Energy	602	49451	32.16
Sewer Operations	Professional Services Fees	77235	Utility Consultants, Inc.	602	49451	492.50
Street Capital Projects	Architect/Engineering Fees	27419	Hakanson Anderson Assoc. Inc.	406	40600	968.48
Street Maintenance	Bldgs/Facilities Repair/Maint	470548706	Cintas Corporation #470	101	43220	26.48
Street Maintenance	Bldgs/Facilities Repair/Maint	470545340	Cintas Corporation #470	101	43220	26.48
Street Maintenance	Bldgs/Facilities Repair/Maint	102110	Connexus Energy	101	43220	21.29
Street Maintenance	Bldgs/Facilities Repair/Maint	455408-10-10	Premium Waters, Inc.	101	43220	25.14
Street Maintenance	Bldgs/Facilities Repair/Maint	353307	TAPCO	101	43220	722.57
Street Maintenance	Clothing & Personal Equipment	470548706	Cintas Corporation #470	101	43220	45.74
Street Maintenance	Clothing & Personal Equipment	470545340	Cintas Corporation #470	101	43220	97.77
Street Maintenance	Electric Utilities	102110	Connexus Energy	101	43220	1,324.19
Street Maintenance	Equipment Parts	187296	Lano Equipment, Inc.	101	43220	159.65
Street Maintenance	Motor Fuels	1834495	Lubricant Technologies, Inc.	101	43220	195.45
Street Maintenance	Motor Fuels	1824514	Lubricant Technologies, Inc.	101	43220	1,454.28
Street Maintenance	Motor Fuels	1834494	Lubricant Technologies, Inc.	101	43220	1,557.27
Street Maintenance	Motor Fuels	1824515	Lubricant Technologies, Inc.	101	43220	137.23
Street Maintenance	Motor Vehicles Parts	1539-426962	O'Reilly Auto Parts	101	43220	53.15
Street Maintenance	Repairs/Maint Machinery/Equip	1099	Access Lock & Key, LLC	101	43220	65.00
Street Maintenance	Street Light Utility	102110	Connexus Energy	101	43220	2,403.00
Street Maintenance	Street Maint Materials	95268	Commercial Asphalt Co.	101	43220	161.64
Street Maintenance	Street Maint Materials	95118	Commercial Asphalt Co.	101	43220	106.34
Street Maintenance	Telephone	102810	Qwest	101	43220	67.64
Transfers Out	Contingency	1811	The Tinklenberg Group	101	49360	325.00
Water Utility Capital Projects	Land	THOMPSON	Randall & Goodrich Trust Acct	433	49405	5,000.00
Water Utility Capital Projects	Land	SHAW	Randall & Goodrich Trust Acct	433	49405	5,000.00
Water Utility Operations	Bldg/Facility Repair Supplies	86101	Menards Cambridge	601	49401	107.06
Water Utility Operations	Bldgs/Facilities Repair/Maint	102110	Connexus Energy	601	49401	26.67
Water Utility Operations	Electric Utilities	102110	Connexus Energy	601	49401	161.27
Water Utility Operations	Electric Utilities	102110	Connexus Energy	601	49401	13.85
Water Utility Operations	Small Tools and Minor Equip	86101	Menards Cambridge	601	49401	57.55
Water Utility Operations	Telephone	110110	Qwest	601	49401	107.96
Whispering Aspen Well Project	Architect/Engineering Fees	27417	Hakanson Anderson Assoc. Inc.	432	43200	1,224.36
Wild Rice Drive	Architect/Engineering Fees	27415	Hakanson Anderson Assoc. Inc.	402	43123	3,941.52
	Workers Comp Reimb	110910	Allen, Terry L.	101		4,000.00
						$143,421.30

City of East Bethel

November 17, 2010

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
	Electronic Payments - Payroll					
		PERA				$6,123.26
		Federal Withholding				$5,633.42
		Medicare Withholding				$1,566.14
		FICA Tax Withholding				$5,949.28
		State Withholding				$2,277.19
		MSRS				$3,749.01
						$25,298.30

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010
* *

Agenda Item Number:
Item 6.0 A-H
* *

Agenda Item:
Consent Agenda
* *

Requested Action:
Consider approving Consent Agenda as presented
* *

Background Information:
Item A
Bills/Claims

Item B
Meeting Minutes, November 3, 2010 Regular City Council
Meeting minutes from the November 3, 2010 Regular City Council Meeting are attached for your review and approval.

Item C
Meeting Minutes, November 10, 2010 Canvass Election Results
Meeting minutes from the November 10, 2010 Special City Council Meeting to canvass the election results are attached for your review and approval.

Item D
Resolution 2010-69 Declaring Commission Vacancies
The City Council recently adopted a policy identifying the process for consideration and appointment of Commission members serving on the Park, Road and Planning Commissions for the City of East Bethel. The policy provides that the City Council shall declare a vacancy by motion when a current Commission member submits a resignation and at the end of each term for current member(s) of any Commission.

During the 2010 Election, Planning Commission member Ms. Heidi Moegerle was elected as a City Council member. Ms. Moegerle's Council term will begin January, 2011. Ms. Moegerle has submitted her resignation from the Planning Commission effective December 31, 2010.

There are also several terms that expire for all three Commissions in January. They are as follows:

Park Commission
Barb Hagenson

Tim Hoffman
Sue Jefferson

Road Commission
Pat Monnier
Al Thunberg
Michael Warsko

Planning Commission
Eldon Holmes
Lori Pierson

The vacancies will be advertised in the official newspaper, City's website, local access cable channel, City billboard and at City Hall. Applications will be accepted for a period of at least four weeks. The application period will be November 18, 2010 - December 16, 2010. Commission members whose term expires will be required to submit a letter of interest requesting re-appointment to the Council to the City.

Staff is recommending City Council accept Ms. Heidi Moegerle's resignation from the Planning Commission and adopt Resolution 2010-69 declaring the nine vacancies on City Commissions.

Attachment:
1. Letter of Resignation from Ms. Heidi Moegerle

Item E
Delinquent Charges Certification
City Code of Ordinances, Chapter 74, Sec. 74-126 (b) and Chapter 30, Sec. 30-105 requires that the City Council adopt the final assessment resolution certifying the final amounts to county auditors for collection with property taxes in 2011. Resolution 2010-70 provides for that certification.

Item F
Wetland Replacement Credit Purchase – Booster Park/Cedar Creek Trail
As part of the Booster Park/Cedar Creek Trail Project, 4,020 square feet of wetland will be filled along Bataan Street. This impact will require 8,040 square feet of wetland replacement area. Since there is not sufficient area to create a wetland replacement area on site, staff proposed to purchase wetland credits from an established wetland bank. Council directed staff to negotiate wetland bank credits at a cost not to exceed $12,060. Attached is a Purchase Agreement in the amount of $10,703.25 between the City of East Bethel and Steve Strandlund. The Agreement is for the purchase of 8,040 square feet of wetland. Execution of this Purchase Agreement will fulfill the permit requirements for the trail project.

Staff is requesting authorization to execute the attached Purchase Agreement to meet the requirements of the wetland replacement plan for the Booster Park/Cedar Creek Trail Project.

Item G
Resolution 2010-71 Norlyn Farms Warranty Letter of Credit Release
Norlyn Farms public improvements were accepted per City Resolution 2008-89 subject to warranty provisions contained in the developer's agreement. The developer has requested that the letter of credit for warranty work be released or allowed to expire. The letter of credit is set to expire on December 17, 2010. The City Engineer has reviewed the plat and finds all work

acceptable. Resolution 2010-71 approves the release of the warranty letter of credit. A location map is also attached.

Item H

MCES Service Agreement

This agreement provides for the rates MCES will charge the City for waste water treatment services. The rates are the same as they charge any other city in the metro area for treatment services. Acceptance of this agreement will be put in place all the agreements necessary for MCES to provide waste water treatment services in the City.

*** ***

Fiscal Impact:

As noted above.

*** ***

Recommendation(s):

Recommend approval of the Consent Agenda as presented.

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

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Vote Yes:_____ Vote No:_____

No Action Required:_____

EAST BETHEL CITY COUNCIL MEETING
November 3, 2010

The East Bethel City Council met on November 3, 2010 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT:	Bill Boyer	Steven Channer	Greg Hunter
	Kathy Paavola	Steve Voss	

ALSO PRESENT: Douglas Sell, City Administrator
Tammy Schutta, Asst. City Administrator/HR Director
Rita Pierce, Director of Fiscal and Support Services
Mark DuCharme, Fire Chief
Jerry Randall, City Attorney
Craig Jochum, City Engineer

Call to Order **The November 3, 2010 City Council meeting was called to order by Mayor Hunter at 7:30 PM.**

Adopt Agenda **Paavola made a motion to approve the November 3, 2010 City Council agenda. Boyer seconded; all in favor, motion carries.**

Delinquent Charges Sell explained that East Bethel Code of Ordinances, Chapter 30 and Chapter 74 provides for the collection of unpaid emergency services and for the collection of delinquent utility bills through the property tax system, respectively. These ordinances provide an opportunity for property owners that are delinquent in their payments to the City for utility services and for emergency services to appear before the City Council. Notice to all individuals on the delinquent list has been provided inviting them to the public hearing this evening. The public hearing must be conducted and property owners must be provided an opportunity to be heard before the final certification of delinquent amounts is forwarded to the County for collection with property taxes.

At its September 15, 2010 meeting, Council set November 3, 2010 as the Public Hearing date for individuals wishing to object to the delinquent charges being collected through the property tax system. Details of the unpaid charges were provided with your agenda materials.

Council has set the final certification date as November 17, 2010. Following adoption of the assessment roll on that date, the City will continue to accept payments until November 26, 2010. The final list must be provided to the County no later than November 30, 2010 per Minnesota Statute 429.

Staff recommends the public hearing be conducted providing an opportunity for citizens to be heard on their delinquent amounts.

Hunter opened the public hearing to anyone that wanted to be heard regarding their delinquent charges. There was no one present. Hunter closed the public hearing.

Boyer made a motion to approve the delinquent charges for utility services and emergency services as presented. Channer seconded; all in favor, motion carries.

Potentially Sell explained that the hearing requested by the animal owner relates to a dog bit incident

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Dangerous Dog – Angela Norby – 554-238th Lane NE

which occurred on September 29, 2010. The Anoka County Sherriff's office reported a child was bit by a Great Dane at 554 238th Lane NE.

The incident was unprovoked and it is now sufficient to issue a Potentially Dangerous Dog Notice pursuant to Chapter 10 of the City code. Staff has included a copy of the incident report from the Sheriff's Office. A review of city records indicates that the dog is currently licensed with the city. Sell handed out an e-mail from parent of child that was bit along with several pictures.

On October 22, 2010, Ms. Norby submitted a request for a hearing before Council. Pursuant to City Code Chapter 10, the owners must be granted a hearing before the City Council. The City Council pursuant to Section 10 has several obligations and options regarding this matter that include conducting the hearing and making a determination as to whether or not the potentially dangerous dog determination is sustained, modified or eliminated. If the potentially dangerous dog determination is sustained, Council is required to impose some of the requirements as outlined in Section 10 and in your agenda materials.

City Staff seeks a direction regarding the potentially dangerous dog determination in this incident pursuant to City Code Chapter 10, Animals, Article II. Dogs, Division 3 and recommends an administrative fee of $65.00 in addition to any licensing, registration or impound fees that may be required.

Angela Norby of 554 of 238th Lane NE, East Bethel said she works with animals every day and she doesn't believe Moose is an aggressive dog. She said we have four (4) small children all under the age of eight (8) and they ride him all time, they are all over him. Norby said all the neighborhood children come over, small children and ride him. She said Sky has been over since this happened. Norby said Moose doesn't show aggression at all.

Hunter said he doesn't know where we are at with this. He said he has to be honest; he doesn't care if it is a shih Tzu or a great dane. Hunter said a little girl got bit and you don't have a good story to tell us. Norby said nobody saw it; this is the second time Sky has been bit by a dog. Hunter asked how old is the dog. Norby said he is two (2) now. Boyer asked are you saying the dog didn't bite the girl. Norby said she was bit, but Sky said the dog was licking her. She said when I pulled in to the driveway both dogs were by her, but we don't know why.

Voss said Tabitha sent us an e-mail and she states her concern about the dog and states that she is concerned the dog is potentially dangerous. He said it is not often we get comments from the parents of the kids that are bit. Voss asked have your kids gotten bit. Norby said no, and her two year old was jumping on his back tonight. She said she wouldn't keep him if she thought he was aggressive, this is her line of work and she wouldn't keep him if she thought he was aggressive.

Hunter asked aren't you even a little bit concerned. Norby said she has seen aggressive dogs and she doesn't think he is. She said she didn't see what happened and she doesn't know why it happened. Norby said nobody saw it, so we don't know if it was provoked or unprovoked. Hunter said we are sitting here and we have actions that we have to have you take, we can make you put him down. Norby said if you deem him dangerous she is going to have to put him down.

Boyer said what is troubling to him is great danes are good size dog and it is hard to see how

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a great dane is going to feel threatened by a five (5) year old dog. Paavola said these pictures aren't playful; this is the worst they have seen. Channer said one of the comments in here is they feel unsafe with the dog around and his ability to roam freely. He asked does the dog roam around. Norby said he can go half way around her yard, down to the swamp and half way down our driveway, not to the road, we have invisible fencing.

Voss said to him at least two conditions have to be imposed, #2 warning signs identifying that there is a dangerous dog at the property and #3 the tag identifying the dog as a dangerous dog, it did happen and at the very least folks need to understand that there is a dangerous dog at this property. He said but we can't stop people from going there. Voss asked how far is the invisible fencing from the road. Norby said about ten (10) car lengths from the road. She said it is not the line that is the base, they can't jump it and be free, and they get continually shocked for a mile. Voss said and you said she has been back at the house, how many times. Norby said just once. She said she was going to take a picture when she was there, but she didn't.

Voss made a motion to determine that the great dane named Moose owned by Angela Norby at 554 238th Lane NE be determined to be a potentially dangerous dog and requirements 1-8 be imposed but items 1 & 4 be stayed as follows as long as there is no repeat offense in the next one year from this date: 2) That the owner post the front and the rear of the premises of with clearly visible warning signs, including a warning symbol, a copy of which will be furnished by the City, to inform children that there is a potentially dangerous dog on the property in the manner specified in Minnesota Statutes, Sec 347.51 in the case of a dangerous dog. The owner must pay a reasonable fee to cover the cost of the warning symbol; and, 3) That an easily identifiable, standardized tag identifying the dog as potentially dangerous and containing the uniform dangerous dog symbol must be affixed to the dog's collar at all times as specified in Minnesota Statutes, Sec. 347.l51 for a dangerous dog; and, 5) that if the dog is outside the proper enclosure, the dog must be muzzled and restrained by a substantial chain or leash (not to exceed six (6) feet in length) and under the physical restraint of a person 18 years of age or older. The muzzle must be of such design as to prevent the dog from biting any person or animal but will not cause any injury to the dog or interfere with its vision or respiration, and; 6) That all dogs deemed potentially dangerous by the City Council be registered with the City within 14 days after the date the dog was so deemed and provide satisfactory proof thereof to the City Administrator; 7) That the dog must have a lifetime license and be up to date on rabies vaccination; 8) That the owner must allow a compliance official on the owner's property to conduct a site inspection within 14 days of determination of potentially dangerous dog by the City Council. Paavola seconded. Boyer said he doesn't think this goes far enough, this is the worst dog he has seen in the City and he won't vote for it. He said he appreciates some of the things that Norby said she has tried to do with the dog. **Boyer, nay; Channer, Hunter, Paavola, Voss, aye; motion carries.**

Public Forum

Hunter opened the Public Forum for any comments or concerns that were not listed on the agenda.

George Cossette of George Repair 18611 Highway 65 NE, East Bethel said the Nelson Trucking Company building has come up for sale and he has met with the realtor and the City Planner, Stephanie Hanson and the Building Official, Larry Martin. He said they suggested he come to City Council and inform them of his potential plan and talk about a

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CUP. Sell said he has talked with Mr. Cossette and the property he is referring to is zoned B3 and the business expansion he would like to do is not permitted in B3. He explained that Cossette is asking to modify the zoning B3 so he could expand his business on this property.

Cossette said he would clean the property up. He said he has been here since 1970 and he has done a lot of different things his. Cossette said his current business is boat repair. He said mostly he has done auto body and boat repair. Cossette said he buys boats from insurance companies and fixes them up and trailers and his business is growing and bulging at the seams. He said his current facility does not provide the space to do this. Cossette said the Nelson Trucking building would provide a place to move next door and expand.

Voss asked would you be building any new structures. Cossette said no, we would just go in and clean the place up and use the current structure. He said he is not here tonight to get an okay, just to get a consensus. Cossette said then he could find out what paperwork he needs and then move forward. Voss said he likes the idea and he would like to see the property cleaned up. He said you also need to recognize in 6-8 weeks a different Council will be sitting up here. Voss said for me, I would continue in the process you have started. Hunter said you have been a great business owner and he thinks it is great you want to expand. Sell said the City Planner will be in touch with you.

There were no comments so the public forum was closed.

Consent Agenda

Voss made motion to approve the Consent Agenda including: A) Approve Bills; B) Meeting Minutes, October 20, 2010, Regular CC Meeting; C) October 13, 2010, City Council Work Meeting; D) Approve 2:00 AM Liquor License – Fat Boys Bar & Grill; F) Seasonal Snowplow Driver-Public Works. Channer seconded. Boyer asked to have Item D) Approve 2:00 AM Liquor License - Fat Boys Bar & Grill pulled for separate discussion immediately following the consent agenda. **Voss amended his motion to pull item D) Approve 2:00 AM Liquor License - Fat Boys Bar & Grill to be discussed separately. Channer seconded the amendment, all in favor, motion carries.**

Boyer said he understands that we have approved the 2:00 AM licenses in the past. Sell said his understanding is this is a state license and there isn‘t really anything we can do about it. Boyer said he wanted to pull it because we have noise complaints about this business so why approve them to be open later. Hunter said if there are noise complaints then they can be dealt with by city ordinance.

2:00 AM Liquor License Fat Boys

Voss made a motion to approve the 2:00 AM Liquor License for Fat Boys Bar and Grill. Hunter seconded. Boyer and Channer, nay, Hunter, Paavola and Voss, aye; motion carries.

Ordinance 27, Second Series, An Ordinance Amending Appendix A, Zoning of the East Bethel City Code

Sell explained that at the August 18, 2010 City Council meeting, staff was directed to explore the possibilities of allowing a place of worship in the City Center (CC) zoning district. “Place of Worship” is defined as “a building, together with its accessory buildings and uses, where persons regularly assemble for religious worship and which is maintained and controlled by a religious body organized to sustain public worship.”

After discussion it was recommended to make “Place of Worship,” as defined in the city zoning regulations, as an interim use permit (IUP) in the CC district. Attachment 1 is Ordinance 27, Second Series, that reflects the proposed amendment.

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Also as part of the changes to the CC district, staff is proposing an amendment to allow Essential Services – Governmental as a permitted use. The proposed amendment would allow uses such as water supply or distribution system(s) and sanitary sewage disposal systems. Current definitions were provided in your agenda materials.

At the September 28, 2010 Planning Commission meeting, Commission members discussed the existing language pertaining to home occupations and its' interpretation as it related to a specific request for an IUP.

Appendix A Section 10.18 Home Occupations reads "a home occupation shall occupy no more than 50 percent of the floor of the structure. This shall include offices of professionals, home beauty shops, and other such occupations than by custom are an accessory use." Past application limited any home occupation to 50 percent of the structure that the home occupation could occupy.

Planning Commission and Mr. Voss indicated that they thought this may be a misapplication of the intent of this section of the Zoning Ordinance. Based on the discussion, it was indicated that the intent of the code was directed towards home occupations in a principal structure but does not regulate home occupations in an accessory structure. Planning Commission, by consensus seemed to indicate it favored home occupations in an accessory structure having an ability to use the entire square footage of the accessory structure for the business.

The proposed language would read "The area set aside for the home occupation in the principal structure shall not exceed 50 percent of the gross living area of the principal structure." In addition, language would be added that reads: "The area set aside for the home occupation in attached or detached accessory structures or garages shall not exceed total accessory structure space allowed on the property of the home occupation."

Planning Commission recommends approval of Ordinance 27, Second Series, An Ordinance Amending Appendix A. Zoning, of the East Bethel City Code. Further, that City Council directs publication of Ordinance 27, Second Series.

Voss made a motion to adopt Ordinance 27, Second Series An Ordinance Amending Appendix A, Zoning of the East Bethel City Code and direction to publish Ordinance 27, Second Series. . Boyer seconded. He said he seconded for the purpose of discussion. Voss asked is a principal structure defined as home. Randall said yes. Boyer said the language he is struggling with is "The area set aside for the home occupation in the attached or detached accessory structures or garages shall not exceed total access structure space allowed on the site of the home occupation." Randall said these require Interim Use Permits (IUPs), so you can set the maximums. Voss said this is limited by another section of code. Boyer asked why does it say allowed. Sell said he thinks the language is referring to property where there is no accessory structure, it is limiting it. Voss asked if you have a structure that is grandfathered in that is twice the size that is allowed now, then it is limited to what is allowed now. Sell said you get to a use what is allowed now. Voss said then why not take out "allowed on the site of the home occupation." Sell said he thinks this change is okay. Voss said if structure was built 20 years ago, they can use what is there now. He said also insert If they have space they can use what they have. Take out allowed and insert the before attached. **Voss noted that his motion is amended to adopt with changes as noted. Boyer second stand with the changes noted; all in favor, motion carries.**

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East Front Blvd. Storm Water Project

Sell explained that the Anoka Conservation District (ACD) proposed a plan to construct a storm water pretreatment structure on City right of way at the north end of East Front Boulevard to treat runoff to Coon Lake. The project would include a concrete sediment trap inlet with two concrete weirs to increase water retention in a ditch along East Front Boulevard prior to discharge to Coon Lake. This project was initiated by Mr. Doug Tierney, 4616 Viking Blvd., as a request of ACD to design infrastructure improvements that would improve the water quality of storm water runoff to Coon Lake. Details are por4vided on pages 53 through 58 of your agenda materials.

ACD developed a proposal and presented this project to Coon Lake Improvement Association (CLIA). The Association endorsed the project and recommended it be presented to the City of East Bethel for consideration and funding.

If implemented, the facility would be located in the City right of way which would require maintenance by the City that includes monthly cleaning of the inlet structure; annual cleaning of the weirs; and, annual maintenance of up to 200' of ditch section to ensure proper operation of this facility. The cost for this maintenance is estimated to be in the range of $600-800 per year.

Funding for this project, as initially proposed, was from the City. The Coon Lake Improvement Association may be willing to cost share a portion of the project. No contacts have been made with CLIA or ACD for this project to identify cost sharing. The estimated cost of this project is $4,260.00

The Roads Commission discussed this project at their September, 2010 meeting. While the Roads Commission recognizes that this may be a worthwhile project it, appears to be a water quality issue rather than a roads responsibility. The Roads Commission is of the opinion that this project would be better addressed through some type of storm water utility district throughout the community.

Staff is seeking direction from Council on this matter.

Doug Tierney of 4616 Viking Blvd. NE said we also have a lot where they were digging in front of it, and we have a couple concerns about 19534 East Front Blvd. NE. He said in 1982 when the road was put in, in front, the neighbor filled it in with dirt and it has been dug out about three (3) times. Tierney said if the City doesn't' stop people from doing this we are going to have problems. He said in the last election everyone talked about not spending money we don't have, why spend money on concrete when treated timber will do. Tierney said he tried to get the Building Official to work with him for a year, he finally got a lawyer a few weeks ago and it was done in a few days. He showed council a picture of inlet. Tierney said this is designed to hold water. He said for 12 years he has done water quality readings, went to conferences on his own dime, he has $300 of books that he bought on his own. Tierney said he has knowledge on this, he thinks it would be good for East Front Blvd.

Tierney said as in the past, he had cleaned out East Front. He said in 1982 we paid to have road put in. Tierney said the mayor at the time, Wayne Anderson was only going to allow him one vote, but he got lippy and got two votes. Hunter said you made a comment about concrete and treated lumber, what is going to last longer. Tierney said they did something like this at St. Anthony Falls, and they resurfaced it with treated timbers, but the previous

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ones had lasted 30 years and they weren't treated. He said he is conservative and would like to get the most bang for our dollars. Tierney said he would like to see his son to get his lot some day. He said he would use lumber.

Voss asked what is our standard for a weir. Jochum said our standard is concrete. He said it changed in 2002. Jochum said a lot times the treated lumber will separate and you will get gaps and that defeats the purpose. Hunter said he would like to see the difference in the cost and what is the life of either or. Tierney said when he had the Public Works Manager out he said when it is totally covered call him and he would come out and clean it out. He said so I just dug it out. Tierney said there is a planter with ornamental brick and sand and stuff and it is all in road right of way. He said the Anoka Conservation District (ACD) said they could dig in our right of way to make room for the water. Voss said he knows this area, he lives on the road and has seen it after you clean it out, it looks amazing.

Tierney said has a catch basin in front of his road and he has had to clean it out four (4) times. He said the main reason he dug it out is because he would get ice in the winter and ice would hollow out in the nighttime. Voss said he liked the project and there are plenty of areas around the lake that would benefit around the lake from storm water projects. Sell asked would Council like us to come back with more information. Voss asked have they done the calculations of the expected improvements and designs. He said is torn on the cost of down the road. Voss said how do we deal with the maintenance costs. Sell said with a storm water utility. Voss said but then aren't you improving the lake for everyone. He said he certainly appreciates that CLIA is interested in this.

Steve Olson president of CLIA introduced himself. He said because this is in the City right of way and because of the retaining wall the resident made, we would like to see action taken for it be put back the way it was in the first place. Olson said then maybe we could would work on more weirs. He said our board supports the program and cost sharing and we have some money to do that. Hunter asked do you support the south side of the lake.

Tierney said this last summer they had one lake where a young girl was swimming in the lake and she contracted something and died right away. He said the stuff going into the lakes after a heavy rain storm, they were making a statement that lots of things like green algae there is a health hazard to it, it was in the Minneapolis paper. Sell said there was an incident at a county park after a rain storm. Hunter said these types of designs don't do the type of filtering that you might be looking for. Tierney said according to ACD and their design it will get the prosperous. Hunter said the information they are showing us it doesn't' get the phosphorus.

Josh Sturman of 226 Elm Road said he is a member of CLIA, Educational Committee and he was on the City web site and looking at the Storm Water Pollution Prevention Plan (SWPPP). He said he printed it out, but he didn't get to go through it totally, it looked like it was a little outdated. Sturman said it looks like there is a fair amount of infrastructure in the city. He said there were some objectives the City was supposed to meet when this passed and he would like to help with that. Sturman said he has some resources at the University, Dr. Baker, and some others. He said he would be willing to contact them and see if they would put together a plan. Sturman asked are there other materials available on the web site. Jochum said there has have been ongoing work on the SWPPP. He said we can compile information for you, but you will not see a more current date than the one you have there. Jochum said there is an annual report done each year. He said the program is behind, but that is because of funding. Sturman said we could help and coordinate efforts.

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Channer said we need to look at the encroachment issue. Hunter said why don't we look at what we can do, and share this with our friends to the south so maybe we can coordinate this and do together. Paavola said yes, do this with Coon Lake. Hunter asked isn't Coon Lake still fairly clean. Tierney said it has improved. He said at the fall meeting he makes a report. Tierney said CLIA got a grant and he has been on the east basin since 1968 and he hasn't seen Steamboat Bay look so clean as it does this year. He said it is so nice to go out there and see native plants out there. Tierney said we are striving to get better. Sturman said it is worthwhile to note that the lake sits at the top of the watershed and you need to look at Columbus also. He said it is an opportunity to properly manage a lake.

Olson asked what is the proper form to get everyone together, ACD, City Engineer, CLIA, the City representatives, etc. Sell said he will take care of that.

Pay Estimate No. 1 – 2010 Improvement Projects

Sell explained that a copy of Pay Estimate No. 1 to Rum River Contracting for the 2010 Improvement Projects was included with your agenda materials. The major pay items for this pay request include constructing the Booster Park West Parking Lot and paving 5th Street. Staff recommends Council consider approval of Pay Estimate No. 1 in the amount of $189,333.79 for the 2010 Improvement Projects.

Boyer made a motion to approve Pay Estimate No. 1 to Rum River Contracting for the 2010 Improvement Projects in the amount of $189,333.79 for the 2010 Improvement Projects. Channer seconded; all in favor, motion carries.

2011 Proposed Fee Schedule

Sell explained that staff reviewed the 2010 fee schedule and is suggesting several changes to include the time basis for charging penalty fees for delinquent utility billings; charges for research and document retrieval work; charges for after hours and weekend burials; license fees for massage establishments and individuals; change in definition of motor vehicle for Automobile Dealer licenses; and re-inspection fees.

Staff requests direction regarding the proposed 2011 Fee Schedule. The final Fee Schedule will be provided for consideration on December 1, 2010.

Boyer made a motion to adopt the proposed 2011 Fee Schedule for purposes of discussion. Hunter seconded. Hunter asked are we having a lot of after hour's burial. Sell said we do have some in the later afternoon. He said we will just charge this on the weekends. Hunter said this is not something that you schedule for them. Sell said no, this is something the funeral director and family request. He said if we can accommodate them we do. Hunter said so you are just trying to recoup the costs. Sell said we try to encourage them to do this before 1:00 pm in the afternoon that way our maintenance staff can finish this before their day ends. Channer said for the data retrieval charge is the only cost or is this also for paper. Pierce said this is just for retrieval, the copies would be additional. **All in favor, motion carries.** Sell said the final version of the 2011 Fee Schedule will come back before you on December 1st.

MCES Cooperative Services/ Construction Agreement

Sell explained that there are two parts to this agreement. The first deals with the construction activity. Under the terms of this portion of the agreement, the City will work cooperatively with MCES in the construction of utility infrastructure. This will include the construction of MCES infrastructure such as interceptors, lift stations, recycle water piping, etc. The City has included the design and specifications for interceptors that will belong to and maintained by MCES. The economies of doing all the pipe work, City and MCES,

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under one construction contract is the most practical and economical for both parties.

Under the agreement, MCES must approve the final plans and specs for their share of the work. These plans and specs have been provided to MCES and approval is eminent. MCES will advance the City $50,000 to reimburse the City for design work performed on their behalf and will continue to reimburse the City for costs incurred for final design, construction, easement/land acquisition and certain legal costs. Payment to the City for costs incurred will be within 30 days from the date of the invoice to MCES from the City. The total investment by MCES in this shared construction agreement is estimated at $8.1 million. This does not include the Waste Water Treatment Facility.

The second section of the agreement relates to cost sharing of the capital costs for the facilities MCES constructing or paying to have constructed through the cooperative construction agreement. Under this portion of the agreement, the City will be required to pay to MCES $2.2 million in lateral benefit for interceptors that provide lateral benefit to customers. The repayment is over time as provided for in Exhibit D to the Agreement. The amounts to be paid are at $3,400 per ERU. This level of fee is predicated on the total amount to be repaid, $2.2 million, over 30 years at an interest rate of 3%. Schedule D reflects the number of ERU's necessary to meet the debt service MCES has incurred for this project to repay for this lateral equivalent benefit.

The entire agreement has been reviewed by the City Attorney and Engineer. Comments were provided to MCES and incorporated into the final document. With the approval of this agreement, the City and MCES will jointly move forward with construction activity as the City will be in a position to award contracts for construction of the facilities identified in the Plans and Specifications.

Staff is recommending approval of the Construction Cooperation and Cost Sharing Agreement with Metropolitan Council Environmental Services.

Hunter asked if City Attorney Randall reviewed this and our City Engineer. Randall said yes he did and the engineering firm working on the project, Kreg Schmidt from Bolton & Menk also reviewed it.

Boyer made a motion to approve the Construction Cooperation and Cost Sharing Agreement with Metropolitan Council Environmental Services. Voss seconded; all in favor, motion carries.

2011 Contract with Anoka County Sheriff

Sell said we are working on getting Sheriff Andersohn before the Council with the contract and now that the election is over, we are going to ask him to bring the Sheriff election Stuart. Channer said he thinks Stuart finally gets to go back to work; he couldn't work during the election. Randall said it was the same with the county attorney.

Ordinance 27

Paavola said she wants to go back to one item and make sure we gave direction to publish Ordinance 27. Staff said yes, the motion included direction to publish Ordinance 27, Second Series.

Fire Dept. Meeting Changes

Channer said at the Fire Department Meeting last Monday and the Fire Chief is looking to change the monthly meeting to quarterly meetings. He said that would then allow for make up of trainings and allow the eight (8) new fire fighters get more training. Channer said he thinks this is a really good idea.

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Fall Town Hall Meeting	Hunter said he wants to remind everyone that the Fall Town Hall Meeting is scheduled for November 18, 2010 at 6:00 pm at the East Bethel Community Center.
Planning Comm. Opening	Hunter said with the election, there will be an opening on the Planning Commission since Moegerle will have to step down. Sell said we will have several vacancies in our commissions at the end of the year and Ms. Schutta will have something on the November 17th agenda for your consideration to address these vacancies.
Adjourn	**Boyer made a motion to adjourn at 8:45 PM. Paavola seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk

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EAST BETHEL CITY COUNCIL MEETING
November 10, 2010

The East Bethel City Council met on November 10, 2010 at 7:30 PM to Canvass the 2010 General Election Results at City Hall.

MEMBERS PRESENT:	Bill Boyer Kathy Paavola	Steve Channer	Greg Hunter
MEMBERS EXCUSED:	Steve Voss		
ALSO PRESENT:	Douglas Sell, City Administrator		

Call to Order	**The November 10, 2010 City Council meeting was called to order by Mayor Hunter at 7:30 PM.**
Adopt Agenda	**Paavola made a motion to adopt the November 10, 2010 City Council Agenda. Channer seconded; all in favor, motion carries.**
Res. 2010-65 Canvassing Returns of Election	**Paavola made a motion to adopt Resolution 2010-65 Canvassing the Returns of the Mayoral and City Council Election. Boyer seconded. Boyer, Channer and Paavola; aye, Hunter, nay; motion carries.**
Adjourn	**Boyer made a motion to adjourn the November 10, 2010 City Council Meeting at 7:32 PM. Paavola seconded; all in favor, motion carries.**

Attest:

Douglas Sell
City Administrator

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CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2010-69

RESOLUTION DECLARING NINE VACANCIES ON CITY COMMISSIONS

WHEREAS, the East Bethel City Council shall declare a vacancy by motion for a Commission vacancy and at the end of each term for current members of any Commission; and

WHEREAS, the City Council accepts Ms. Moegerle's resignation from the Planning Commission effective December 31, 2010; and

WHEREAS, the terms of Barb Hagenson, Tim Hoffman, and Sue Jefferson expire January 1, 2011 for the Park Commission; and

WHEREAS, the terms of Pat Monnier, Al Thunberg, and Michael Warsko expire January 1, 2011 for the Road Commission; and

WHEREAS, the terms of Eldon Holmes and Lori Pierson expire January 1, 2011 for the Planning Commission; and

WHEREAS, the Commission Appointments Policy requires that all Commission vacancies are advertised; and

WHEREAS, the period for accepting applications shall begin the day the Council declares a vacancy and continue for a period of at least four weeks; and

WHEREAS, Commission members whose term expires will be required to submit a letter of interest requesting re-appointment to the Council to the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: that three vacancies will exist on the Park Commission; that three vacancies will exist on the Road Commission; and that three vacancies will exist on the Planning Commission.

BE IT FURTHER RESOLVED that City Council will accept applications November 18, 2010 – December 16, 2010.

Adopted this 17th day of November, 2010 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Greg Hunter, Mayor

ATTEST:

_____

Douglas Sell, City Administrator

HEIDI L. MOEGERLE

RECEIVED
NOV 08 2010
BY J. Schutte

November 5, 2010

The Honorable Greg Hunter
and East Bethel Council Persons
2241 221st Avenue, NE
East Bethel, MN 55011

HAND DELIVERED

RE: Resignation from Planning and Zoning Commission

Sirs and Madam:

Thank you for appointing me to fill the vacancy on the Planning and Zoning Commission during 2010! It has been a rich and rewarding experience.

I have learned a lot, but most of all I have enjoyed serving the City of East Bethel. I look forward to continuing to serve the residents of East Bethel in 2011 as a member of City Council.

Please accept my resignation from the East Bethel Planning and Zoning Commission, effective December 31, 2010.

Once again, thank you again for the opportunity to serve on the Commission.

Very truly yours,

Heidi L. Moegerle

Heidi L. Moegerle
HLM:ptb

179 FOREST ROAD
WYOMING, MN 55092
(651) 982-1108

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2010-70

FINAL CERTIFICATION OF DELINQUENT CHARGES FOR COLLECTION WITH 2011 PROPERTY TAXES

WHEREAS, East Bethel Code of Ordinance, Chapter 74, Sec. 74-126 (b) provides for the collection of unpaid utility bills through the property tax system; and

WHEREAS, East Bethel Code of Ordinances, Chapter 30, Sec. 30-105 provide for the collection of unpaid emergency services through the property tax system in the county which the recipient of the services owns property; and

WHEREAS, the attached list shows the delinquent amounts owed assuming a certification cutoff date of September 24, 2010 that reflects payments received through November 9, 2010; and

WHEREAS, certification will greatly improve the City's chances of collecting the relevant charges.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT THE COUNCIL approves the attached, final certification list.

Adopted this 17th day of November, 2010 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Greg Hunter, Mayor

ATTEST:

_____

Douglas Sell, City Administrator

2011 CERTIFICATION LIST
OF DELINQUENT CHARGES

Address	Name	PID	Certification Amount
Anoka County - County Fund #84412			
1024 243rd Ave. N.E.	Fenton	29-34-23-23-0163	$1,707.26
1050 243rd Circle N.E.	Tuon	29-34-23-22-0114	$1,724.87
1080 Fillmore Circle	Hunter	29-34-23-23-0179	$618.58
1142 243rd Lane	Bender	29-34-23-22-0124	$2,415.25
1153 Pierce Path	Demarais	29-34-23-22-0133	$1,024.50
24150 Whispering Circle	Bergstrom	29-34-23-23-0185	$1,805.41
			$9,295.86
Isanti County			
1111 Madison Ave., Isanti MN	Grant	16.112.0010	$403.17
			$403.17
Total All Counties			$9,699.03

PURCHASE AGREEMENT
FOR
WETLAND BANKING CREDITS

THIS AGREEMENT is made this 3rd day of December, 2010 between Steve Strandlund (Seller) and the City of East Bethel (Buyer).

1. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the wetland banking credits (Credits) listed below:

CREDITS TO BE SOLD

Credit Sub-Group[1]	Acres or Sq. Ft.	Wetland Circ. 39 Type[2]	Plant Community Type[3]	Cost per Acre or Sq. Foot	State Fee 6.5%	Fee Cost
A.	8,040 sf	3	Shallow marsh	$1.25/sf	$653.25	$10,703.25
B.						
C.						
D.						
E.						
Totals						

☐ Check here if additional credit sub-groups are part of this account and are listed on an attachment to this document.

[1]A separate credit sub-group shall be established for each wetland or wetland area that has different wetland characteristics.
[2]Circular 39 types: 1, 1L, 2, 3, 4, 5, 6, 7, 8, B, U.
[3]**Wetland plant community type:** shallow open water, deep marsh, shallow marsh, sedge meadow, fresh meadow, wet to wet-mesic prairie, calcareous fen, open bog or coniferous bog, shrub-carr/alder thicket, hardwood swamp or coniferous swamp, floodplain forest, seasonally flooded basin. **See *Wetland Plants and Plant Communities of Minnesota and Wisconsin (Eggers and Reed, 1997)* as modified by the Board of Water and Soil Resources, United States Army Corps of Engineers..**

2. Seller represents and warrants as follows:
   a) The Credits are deposited in an account in the Minnesota Wetland Bank administered by the Minnesota Board of Water and Soil Resources (BWSR) pursuant to Minn. Rules Chapter 8420.0700-.0760.
   b) Seller owns the Credits and has the right to sell the Credits to Buyer.

3. Buyer will pay Seller a total of $10,050.00 for the Credits, as follows:
   a) $ 0 as earnest money, to be paid when this Agreement is signed; and
   b) The balance of $10,050.00 to be paid on the Closing Date listed below.

4. Buyer agrees to pay a withdrawal fee of $653.25 to the State of Minnesota based on 6.5% of the agreed to purchase price. At the Closing Date, Buyer will execute a check made out for this amount, payable to the Board of Water and Soil Resources.

5. The closing of the purchase and sale shall occur on December 3, 2010 (Closing Date) at 10:00a.m. The Closing Date and location may be changed by written consent of both parties. Upon payment of the balance of the purchase price, Seller will sign a fully executed Application for Withdrawal of the Credits in the form specified BWSR, provide a copy of the Application for Withdrawal to the Buyer and forward the same to the BWSR along with the check for the withdrawal fee.

6. Buyer has applied or will apply to the City of East Bethel (Local Government Unit (LGU) or other regulatory authority) for approval of a replacement plan utilizing the Credits as the means of replacing impacted wetlands. If the LGU has not approved the Buyer's application for a replacement plan utilizing the Credits by the Closing Date, and no postponement of the Closing Date has been agreed to by Buyer and Seller in writing, then either Buyer or Seller may cancel this Agreement by giving written notice to the other. In this case, Seller shall return Buyer's earnest money, and neither Buyer nor Seller shall have any further obligations under this Agreement. If the LGU has approved the replacement plan and the Seller is ready to proceed with the sale on the Closing Date, but Buyer fails to proceed, then the Seller may retain the earnest money as liquidated damages.

(Signature of Seller) (Date)	(Signature of Buyer) (Date)

APPLICATION FOR WITHDRAWAL OF WETLAND CREDITS FROM THE MINNESOTA WETLAND BANK

Return Original to BWSR – Transaction may not be processed without original signatures

1. PROPOSED USER OF CREDITS

Name(s) **Stephanie Hanson**
City of East Bethel

Address: **2241 221st Avenue NE**

City **East Bethel** State **MN** ZIP **55011**

Day Phone **(763)367-7840**

Other Phone ( )

2. Impact Site Information

County: **Anoka** Major Wtrshd No. **21**

Bank Service Area **7**

Location: ¼ ¼ Sec **03**, Twp.**33**, Rge **23**

Size of Wetland Impact: **4,020 square feet**

Wetland Types[2] Impacted: **3**

Wetland Plant Communities impacted[3]: **Cattail**

Required Replacement Ratio: **2**:1 WCA / local / COE

Amount to be replaced using Bank Credits: **8,040 square feet**

Amount replaced on site: **0**

Project Name: **Booster Park/Cedar Creek Trail**

Attach replacement plan if additional detail is needed.

3. OWNER / SELLER OF CREDITS

Account No. **1350** Watershed No. **37**

County: **Anoka** Bank Service Area **6**

Name of Seller: **Steve Strandlund**

(Name of Authorized Representative)

_____

(Signature of Seller/Authorized Representative)

4. Regulating Authority(ies) Approving the Use of Wetland Bank Credits

Replacement Plan approved by (check all that apply):

- ☒ Local WCA LGU: **City of East Bethel** (Print agency name)
  Local Permit #**2010-01**
- ☐ U.S. Army Corps of Engineers: Permit #
- ☐ MN Dept. of Natural Resources: Permit #
- ☐ Natural Resources Conservation Service: Permit #
- ☐ Other authority involved:

5. CREDITS PROPOSED TO BE WITHDRAWN FROM ACCOUNT NO. 1350

Credit Sub-Group[1]	Area withdrawn	Wetland Type[2]	Wetland Plant Community[3]	Cost (per sq. ft.)
B	**8,040 sf**	**3**	**Shallow Marsh**	**$1.25**
			[pick one]	
			[Pick One]	
			[Pick One]	
Totals: **$10,050**				
1 acre = 43,560 sq. ft.			Fee Total (Total cost x 0.065) =	**$ 653.25**

☐ Enclosed 6.5% transaction fee, payable to "Board of Water & Soil Resources."

[1]Letters signify credit sub-groups, which represent wetland areas with different wetland characteristics.

[2]**Circular 39 types:** 1, 1L, 2, 3, 4, 5, 6, 7, 8, R, U (for Upland Buffer).

[3] **Wetland plant community type:** shallow open water, deep marsh, shallow marsh, sedge meadow, fresh meadow, wet to wet-mesic prairie, calcareous fen, open bog or coniferous bog, shrub-carr/alder thicket, hardwood swamp or coniferous swamp, floodplain forest, seasonally flooded basin, or upland buffer. **See *Wetland Plants and Plant Communities of Minnesota and Wisconsin (Eggers and Reed, 1997)* as modified by the Board of Water and Soil Resources, United States Army Corps of Engineers.**

BWSR Form: wca-bank-05-withdrawal.doc
Revised 6/1/2010

6. CERTIFICATION OF USER OF WETLAND CREDITS

***The proposed user of credits hereby certifies that he/she*: a)** either owns the subject wetland credits or has entered into an agreement to purchase said credits, subject to the approval of all applicable regulatory authorities and **b)** has filed appropriate plans, specifications and application forms with all applicable regulatory authorities that describe the wetland or water resource impacts for which the subject wetland credits will be utilized for mitigation purposes.

	Stephanie Hanson	
Authorized Signature of Proposed User of Credits	**PRINT Name**	**Date**

7. REGULATORY AUTHORITY APPROVAL(S)

The following authorized representatives of the regulatory authority (ies) identified on page 1 of this application hereby certify that they have: a) verified that the subject wetland credits are deposited in the account of the owner / seller, b) approved a wetland replacement plan or other water resource impact under their jurisdiction, and c) approved the proposed use of the wetland bank credits described herein.

Craig Jochum		
PRINT Name of WCA LGU Official	**Signature of Authorized WCA LGU Official**	**Date**
PRINT Name of Other Regulatory Official (if any)	**Signature of Other Authorized Official**	**Date**
Agency Address of Other Regulatory Official		

8. CERTIFICATION OF OWNER / SELLER OF CREDITS

I am the holder of the aforementioned account in the State of Minnesota Wetland Mitigation Bank and hereby certify that:

1) the credits described in this application have either been sold to the user of credits or I will use them to mitigate wetland impacts for my own project,
2) I have received payment in full from the buyer (if applicable),
3) the credits have not been sold or used in any way to mitigate wetland losses other than for the project and location identified in the project site information block on the previous page,
4) the subject wetland credits should be withdrawn my account,
5) I will not have a negative balance of credits after the subject credits are debited from my account, and
6) the Annual Fee for this account has been paid (or will be with an enclosed check).

Authorized Signature of Owner / Seller of Credits **Date**

9. BWSR APPROVAL AND DEBITING OF ACCOUNT

I hereby certify that the credits have been properly debited from the subject account, effective the date of signature.

Authorized Signature **Date**

Upon approval by BWSR, a copy of this instrument will be mailed to the user of the credits, all regulatory authorities involved, the account holder and the Board Conservationist. A letter will also be sent to the account holder acknowledging the debit and new account balance.

IMPORTANT REMINDERS

1. The Owner / Seller of the credits is responsible for submittal of this form, containing original signatures, to the BWSR Wetland Bank Administrator so the affected account can be properly debited.
2. No impacts to any wetland or other water resource may commence until the credits have been debited from the Minnesota Wetland Mitigation Bank and a copy of this approval has been mailed to the regulatory authority(ies), the account holder and the user of the credits.
3. It is a criminal offense for a seller of wetland credits to sell credits more than one time. It is the responsibility of the account holder to report any credit sales that are not noted on the most current official BWSR account balance.

WETLAND IMPACT LOCATION

N

LOCATION MAP
BATAAN STREET

Nov 11, 2010 – 2:20pm
K:\cad_eng\CLIENT_FOLDERS\East Bethel\AnokaCountyMap.dwg

EB901–2008

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2010-71

RESOLUTION REQUESTING RELEASE OF THE WARRANTY LETTER OF CREDIT

WHEREAS, Norlyn Farms public improvements were accepted per City Resolution 2008-89 subject to warranty provisions contained in the developer's agreement; and

WHEREAS, The warranty letter of credit is set to expire on December 17, 2010; and

WHEREAS, The developer has requested that the letter of credit for warranty work be released or allowed to expire; and

WHEREAS, The City Engineer has inspected the project and finds the public improvements acceptable.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL MINNESOTA: the developer has fulfilled his warranty obligations per the Developer's Agreement between the City of East Bethel and Rite Choice Development, LLC for the plat known as Norlyn Farms.

BE IT FURTHER RESOLVED: that the letter of credit will be allowed to expire on December 17, 2010.

Adopted this 17th day of November, 2010 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Greg Hunter, Mayor

ATTEST:

_____

Douglas Sell, City Administrator

N

LOCATION MAP
NORLYN FARMS
ATTACHMENT 2

Nov 11, 2010 – 1:36pm
K:\cad_eng\CLIENT_FOLDERS\East Bethel\AnokaCountyMap.dwg

MC Contract 10I024

WASTEWATER SERVICE AGREEMENT
Between
City of East Bethel
and
Metropolitan Council

THIS AGREEMENT ("Agreement"), effective on the date of execution by both parties, is made and entered into by and between Metropolitan Council, a public corporation and political subdivision of the State of Minnesota ("Council") and the City of East Bethel, a Minnesota municipal corporation ("City").

RECITALS

1. Pursuant to Minnesota Statutes § 473.517, subd. 1, the Council shall allocate current costs of operation, maintenance, and debt service ("Current Costs") among and paid by all local government units which discharge wastewater directly or indirectly into the metropolitan disposal system. For purposes of this Agreement, the above described payments are referred to herein as municipal wastewater charges ("MWC"). The Council's wastewater treatment plant, interceptor and effluent pipes to serve the City will be a part of the metropolitan disposal system.

2. Pursuant to Minnesota Statutes § 473.517, subd. 3, the Council shall allocate the reserved capacity portion of the costs of acquisition, betterment, and debt service of the interceptors and treatment works ("Reserved Capacity Costs") among and paid by all local government units through a sewer availability charge ("SAC") for each new connection or increase in capacity demand to the metropolitan disposal system.

3. Pursuant to Minnesota Statutes § 473.517, subd. 6, the Council may provide for the deferment of payment of all or part of the allocated costs pursuant to Minnesota Statutes § 473.517, subd. 3, repayable with interest at the Council's average rate of borrowing.

4. The Council's 2030 Water Resources Management Policy Plan ("Policy Plan") provides for Council ownership and operation of wastewater facilities to serve rural area communities that want to accommodate growth, for which the planning designation Rural Growth Center has been provided in the Policy Plan. The City has requested, and the Council has approved, the City's designation as a Rural Growth Center ("Rural Growth Center").

5. The Council's Policy Plan provides wastewater service to the City through wastewater treatment facilities to be constructed specifically to serve the City initially, and that are also planned so that these facilities may serve a portion of the city of Oak Grove or other communities in the future. The City has submitted, and the Council has approved, the City's 2030 Comprehensive Sewer Plan.

6. The Council's Policy Plan policy on rates and charges provides that: (a) municipal wastewater charges will be allocated to communities uniformly, based on flow; and (b) sewer availability charges for a Rural Growth Center shall be based on the reserve capacity of the wastewater treatment facility and the Council's debt service specific to the Rural Growth Center.

7. The Council is currently designing the East Bethel wastewater treatment facility, MCES Project 801620 to serve the City. Construction is scheduled for 2011-2012.

8. Council and City have determined that it is in their best interests to enter into this Agreement in order to specify SAC matters for the City and to specify the terms for contingent loans for part of the reserve capacity charges and other related matters.

9. The Council has authorized its Regional Administrator to enter into this Agreement pursuant to Business Item No. 2010-355 passed by the Council on October 27, 2010. The City has authorized its Administrator to enter into this Agreement pursuant to a motion passed by the City Council on November 3, 2010.

NOW, THEREFORE, for valuable consideration, the receipt of which is acknowledged by both parties, the parties agree as follows:

ARTICLE I
Financial Terms and Conditions

1.01 Municipal Wastewater Charges (MWC).

a. Allocation. Council shall measure the City's wastewater flow and allocate current costs consistent with the methodology used throughout the metropolitan disposal system to allocate Current Costs among and charge local government units in the form of MWC, as may be amended from time to time. The Council's regular MWC billings to the City shall begin for the calendar year 2014 based on the wastewater flow for the period July 1, 2012 – June 30, 2013. Prior to that regular cycle, the Council's MWC billings to the City for the calendar year 2013 shall be based on the estimated number of SAC units served prior to June 30, 2012, flow estimates/SAC and the duration of such usable connections within the subject period. Council shall invoice the City monthly. City shall pay Council within thirty (30) calendar days of each billing.

b. City Obligation - Charges. The City acknowledges its obligation under Minnesota Statutes, including, but not limited to, § 473.519, to adopt and maintain a system of charges for the use and availability of the metropolitan disposal system located within the City which will assure that each recipient of wastewater treatment services within or served by the City will pay its proportionate share of the Current Cost charges allocated to the City by the Council under Minnesota Statutes, § 473.517, as required by federal law and regulations.

c. On or before December 31, 2011, the City shall submit to the Council, for review and approval, a proposed ordinance implementing a system of volumetric charges for the use and availability of the metropolitan disposal system, and shall make modifications in such system if notified by the Council, as needed to comply with the provisions of Minnesota Statutes § 473.519, the Council's Waste Discharge Rules and federal law and regulations. Upon approval, the Municipality shall maintain such system of volumetric charges in accordance with section 473.519.

d. City Obligation – Connections. The City agrees that within twelve (12) months of service being available, the City shall mandate connections to the metropolitan disposal system and will pay the Council SAC for connections in the business district described as Project 1 Phase One.

e. Reservation of Rights. Nothing in this article shall be deemed to limit the Council's rights to add-to, amend or change its method of allocating and/or collecting costs under Minnesota Statutes, section 473.517, subdivision 1.

1.02 Sewer Availability Charges (SAC).

a. City Obligation. The City acknowledges its obligation under Minnesota Statutes, including, but not limited to, § 473.517 subd. 3, to pay Reserved Capacity Costs allocated to the City by the Council under § 473.517, subd. 3. These costs are currently allocated to cities by the Council through the Sewer Availability Charge (SAC) system, based on the number of residential equivalent SAC units which become connected within the City either directly or indirectly to the metropolitan disposal system. City acknowledges and agrees that SAC and reporting for it will be due beginning twelve (12) months prior to startup of the wastewater treatment facility. The City acknowledges and agrees that it is liable for SAC whether or not it collects, or is able to collect, such amounts from any property owners or other third parties.

b. Implementation of SAC System. Under the current SAC system, the City shall be responsible for monitoring, reporting of connections, and other duties in accordance with Council's policies and procedures for collecting SAC charges. If under the current SAC system, the City chooses to collect charges from the owners of the property connected to City sewers which are connected to the metropolitan disposal system, it shall be solely responsible for billing and collecting such charges from the property owners.

c. Reservation of Rights. Nothing in this article shall be deemed to limit the Council's rights to add-to, amend or change its method of allocating and/or collecting costs under Minnesota Statutes, section 473.517, subdivision 3 as it pertains to the SAC rate and general SAC collection requirements and procedures.

d. East Bethel's City-Specific SAC (hereafter "East Bethel SAC"). Council shall establish the East Bethel SAC pursuant to the Council's policies and SAC procedures. The East Bethel SAC shall initially be based on the wastewater treatment facility debt service specific to the City, as estimated in Exhibit A. The estimated capital costs described in Exhibit A, and the East Bethel SAC based on the associated debt service, may be adjusted after final project costs have been determined and if needed for additional project costs should they occur prior to the end of the designation of the city of East Bethel as a Rural Growth Center. Adjustments, if any, to the SAC rates will not be retroactive.

Council and City agree that the East Bethel SAC has been determined, based on the following factors: (1) debt service and/or capital costs on City-specific capital costs based on financing over a term extending to 2030 at an interest rate based on the actual rate(s) of financings used by the Council to fund the project costs, currently estimated at 3.0% for the initial facility and 4.5% for the future expansion; (2) 2030 Comprehensive Plan forecast of 5,500 SAC units; (3) a constant SAC unit growth rate of approximately 10.6% annually from 2012 through 2030; (4) reserve capacity determination using cumulative SAC units as forecasted for the currently used portion of total capacity; (5) fixed East Bethel SAC rate increases of 3% annually; and (6) East Bethel SAC computed to recover the present value of reserve capacity of debt service as determined in (1) hereinbefore.

Council and City agree that the East Bethel SAC based on the capital costs in Exhibit A and the above factors, shall be $3,300 in 2012, increasing 3% annually to $5,600 in 2030. East Bethel SAC may be adjusted if the final capital costs and interest rates are materially different than expected.

e. Nothing in this Agreement prohibits or restricts the sewer, SAC or other related charges that the City may or may not charge to property owners within the City.

1.03 Reserve Capacity Loans.

a. Amount. If at the end of each calendar year, starting with the year 2012, the SAC units attributed (either i), actually paid, or ii) loaned as described in this paragraph) to the Council by the City on an annual basis, are below the estimate of growth for the year based on the 2030 Comprehensive Plan forecast for the City used to set the rates as described herein, the deficiency shall be considered a Reserve Capacity Loan ("Reserve Capacity Loan") from the Council to the City, pursuant to M.S. 473.517 subd. 6. Interest shall accrue on the prior year-end balance at 3.6% APR annually. In years where the actual SAC paid by the City to the Council exceeds the estimate, the surplus SAC shall be considered a payment against any then outstanding loans. If such a surplus occurs and no loan balance is then outstanding, no rebate shall occur, however, the amount of units paid over the cumulative forecast shall be available to offset a future year shortage (that is, to reduce the required loan in a future year when the annual SAC units paid are less than forecast).

b. Payment. If a Reserve Capacity Loan balance is outstanding at any year-end, the City shall pay, at a minimum, an annual amount set by the Council which shall be an amount not greater than the ordinary municipal wastewater charge to be charged to the City in that same calendar year based on the community's annual flow volume in the metropolitan disposal system. The payment shall be applied first to interest accrued and the remainder against the cumulative outstanding principal on the loan. During the first five years of the Loan, the Council may require a lesser payment to allow the City to gradually adjust its retail sewer charges or other revenues to cover the Loan payments.

Comment [W1]: It's my understanding that Dan has shown that this won't work in EB where there is no existing customer base and the thus the MWC will be very little in the early years. What do you think about this which they would be allowed to raise in any manner they chose (perhaps froma developer??)

Minimum payments on the loan shall be determined by the Council in January of each year and included on monthly bills, provided however, that the Council may estimate the loan payment requirements for the first two months of each year and reconcile the difference in the March bill of each year.

c. Prepayment. The City may prepay all or part of the loan at any time to avoid additional interest accrual.

d. Developing Community. The Council agrees that if: a) the City meets the conditions of the Council to become a Developing Community as determined by the Council; or b) another city is provided sewer service through the East Bethel wastewater treatment facilities; or c) the City reaches its current 2030 Comprehensive Sewer Plan population forecast, or d) at the conclusion of the 2030 Water Resources Policy Plan (*i.e.* at the end of the year 2030), the East Bethel SAC rate may be frozen by the Council at the then current rate and retained at that rate, even though that rate is a higher rate than the urban SAC until such time as the outstanding loan is entirely repaid. This term shall survive the Agreement until the entire Loan is repaid, or the condition in Section 1.03(e) occurs:

e. The parties agree that the terms of the Agreement are intended to handle the short or medium term problem that planned growth is deferred from the expectations of the Comprehensive Plans. However, if 30 years after the first Loan is recorded, substantial planned growth has not occurred and expectations at that time are that it may continue to be below 2030 forecasts, the parties agree to renegotiate in good faith to provide for an end to the Loan that does not require an unreasonable burden on the sewer rates of the still small City.

ARTICLE II
Conveyance of Interceptor Ownership to City

2.01 Transfer.

If the Council determines that the interceptor constructed along Viking Blvd. and STH 65 no longer serves a regional benefit, the Council will transfer to the City and the City

agrees, without payment from the Council, to accept title and ownership of that portion of the aforementioned interceptor within the City. Such transfer may occur at any time after determination in the sole discretion of the Council that the aforementioned interceptor no longer serves a regional benefit and certification by the Council that the interceptor to be transferred is in good operating condition.

ARTICLE III
Compliance with Council Rules and Policies

3.01 Infiltration and Inflow.

The City shall comply with the Council's policy and procedures on Infiltration/Inflow and its standards for allowable peak hour to average daily wastewater flow. On or before June 30, 2012, the City shall submit its proposed Infiltration/Inflow program to the Council for review and approval and shall adopt and follow any recommendations of the Council regarding inflow and infiltration into the City's sewage collection system.

3.02 Waste Discharge Rules.

The City acknowledges that all discharges to the City's sewage collection system are subject to the Council's Waste Discharge Rules and any other rules or requirements adopted by the Council relating to the metropolitan disposal system. The City shall adopt a sanitary sewer use ordinance which ensures City compliance with Council's policies and Waste Discharge Rules, however amended. The City agrees to cooperate with the Council in enforcement of Council's rules and enforcement requirements. Nothing in this Agreement prohibits or limits the Council's right to make general changes to the Waste Discharge Rules.

3.03 Comprehensive Plan.

The City has prepared and adopted its 2030 Comprehensive Plan Update and Tier II Comprehensive Sewer Plan, in accordance with Minnesota Statutes §§ 462.355, subd. 1a and 473.864, subd. 2. The Council has approved the City's Tier II Comprehensive Sewer Plan and authorized the City to put its 2030 Comprehensive Plan Update into effect.

In accordance with Minnesota Statutes, section 473.858, subd. 1, and section 473.865, subd. 3, upon approval and adoption by the City of the comprehensive plan, the City shall adopt or amend official controls to ensure planned, orderly, and staged development consistent with the comprehensive plan and so as not to conflict with the comprehensive plan. The City shall submit copies of such official controls to the Council in accordance with Minnesota Statutes, section 473.865, subd. 1.

Nothing in this agreement shall modify the City's obligations under the referenced statutes or in the Comprehensive Plan.

ARTICLE IV
Notices

Any notice or demand which may or must be given or made by either party to this Agreement, under the terms of this Agreement and any statute or ordinance, shall be in writing and shall be sent by certified mail, return receipt requested, or delivered in person, to the other party addressed or delivered as follows:

General Manager
Environmental Services
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

City Administrator
2241 221st Avenue NE
East Bethel, MN 55011

ARTICLE V
General Provisions

5.01 Successors and Assignment.

The Covenants of this Agreement shall be binding upon and inure to the benefit of the parties, their successors, and assigns. The City may neither assign nor transfer any rights or obligations under this Agreement without the prior consent of the Council and a fully executed Assignment Agreement, executed by authorized representatives of the parties to this Agreement.

5.02 Amendments.

The terms of this Agreement may be changed only by the mutual agreement of the parties. Such changes shall be effective only upon execution of written amendments executed by authorized representatives of the parties to this Agreement.

5.03 Non-Waiver.

If the Council fails to enforce any provision of this Agreement, that failure does not waive the provision or any other provision or the Council's right to enforce it at a later date.

5.04 Contract Complete.

This Agreement contains all negotiations and agreements between the Council and the City related to the matters included herein. No other understanding regarding this Agreement, whether written or oral, may be used to bind either Party.

5.05 Construction of Agreement.

This Agreement is intended to assist in implementing the Council's policy plans and system plans and shall be interpreted consistently with the provisions and intent of such plans.

5.06 Severability.

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

5.07 Liability.

Except as provided elsewhere in this Agreement, each Party agrees that it will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of the other Party and results thereof. The liability of the Council and the City shall be governed by the provisions of Minnesota Statutes, chapter 466, and other applicable law. Nothing in this Agreement shall constitute or be construed as a waiver by the Council or the City of any statutory limits on or exceptions to liability.

5.08 Council Audits.

In accordance with Minnesota Statutes, section 16C.05, subd. 5, the City's books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by the Council and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Agreement.

5.09 Government Data Practices.

The City and Council must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13, as it applies to all data provided by the Council under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the City under this Agreement. The civil remedies of Minnesota Statutes, section 13.08, apply to the release of the data referred to in this clause by either the City or the Council.

5.10 Conformance to Law.

The parties to this Agreement acknowledge and agree to the following:

a) This Agreement addresses certain of the rights and obligations to the parties under Minnesota Statutes, chapter 473, but this Agreement is not intended to be a complete description of all rights and obligations of the parties with respect to each other that may exist under such chapter or other provisions of law.

b) Future changes in Minnesota Statutes, chapter 473, and other applicable law may modify the rights and obligations of the parties with respect to each other and such changes in law shall take precedence over any provisions of this Agreement that may be inconsistent and irreconcilable with such changes.

5.11 Venue.

This Agreement shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

5.12 Recitals.

The Recitals are hereby incorporated into and made a part of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below.

METROPOLITAN COUNCIL

Approved as to Form:

By: _____

_____

Office of General Counsel

Its: Regional Administrator

Date: _____

FOR THE CITY OF EAST BETHEL

By:_____

Title: Mayor

Date: November 17, 2010

ATTEST:

By:_____

Title: City Administrator

Date: November 17, 2010

EXHIBIT A

ESTIMATED CAPITAL COSTS FOR
EAST BETHEL WASTEWATER TREATMENT FACILITIES

Component	Est. Cost (1)
Initial Project	
Influent Storage (2)	$ 600,000
Wastewater Treatment Plant (3)	9,500,000
Treated Water Distribution System (4)	5,700,000
Land Application Facilities (5)	1,600,000
Land Acquisition (6)	600,000
Total - Initial Project	$18,000,000
Future Facility Expansion (3)	
Plant Expansion	$10,000,000
Treated Water Distribution	2,000,000
Land Application Facilities (incl. land)	2,000,000
Total-Expansion	$14,000,000

Notes:

1. Estimated cost includes construction, engineering, inspection, and administration.
2. Incremental cost of increasing size of influent interceptor sewer from STH 65 to treatment facility from 24-inch diameter to 60-inch diameter. This option is being used in lieu of providing storage within the wastewater treatment facility.
3. Plant will be constructed in phases. Initial phase has 0.41 mgd capacity. Future facility expansion (approx. year 2020) will increase capacity to 1.22 mgd.
4. Pipeline to convey treated water from wastewater treatment plant to the two initial land application facilities.
5. Facilities designed to distribute treated water such that it infiltrates through the soil and recharges the groundwater.
6. Cost of acquiring two land application sites ($60,000 for one; free long-term use of second site) and two-thirds of the wastewater treatment plant site, which is planned to serve portions of Oak Grove, and potentially Ham Lake, in the future.

EAST BETHEL PLANNING COMMISSION MEETING

October 26, 2010

The East Bethel Planning Commission met on October 26, 2010 at 7:00 P.M for their regular meeting at City Hall.

MEMBERS PRESENT:	Eldon Holmes	Julie Moline	Lori Pierson
	Tim Landborg	Heidi Moegerle	Glenn Terry
MEMBERS ABSENT:	Lorraine Bonin		
ALSO PRESENT:	Stephanie Hanson, City Planner Kathy Pavola, City Council Member		

Adopt Agenda

The October 26, 2010 meeting was called to order by Chairperson Holmes at 7:02 P.M.

Holmes made a motion to adopt the October 26, 2010 agenda. Pierson seconded; all in favor, motion carries.

Public Hearing: Interim Use Permit

A request by owners/applicants, Daniel and LaVonne Murphy, to obtain an Interim Use Permit for Domestic Farm Animals (3 cows, 200 chickens). The location being 2557 225th Ave. NE, East Bethel, MN 55005, PIN 04 33 23 14 0026. The Zoning Classification is Rural Residential (RR) District.

Property Owner/Applicant:
LaVonne Murphy
2557 – 225th Avenue NE
East Bethel, MN 55005
PIN's 04-33-23-14-0026 & 04-33-23-14-0012

Ms. Murphy is requesting an IUP for the purpose of keeping three (3) cows and up to two hundred (200) chickens for egg production on the 5.12 acres she owns in East Bethel.

East Bethel City Code Section 10, Article V. Farm Animals, requires that no animals that are regulated by the code can be kept on a parcel of land located within a platted subdivision or on any parcel of land of less than three (3) acres (130,680 square feet). The 5.12 acre parcel is not located within a platted subdivision.

City Code has a limit on the number of animals allowed per parcel. Three (3) cows require 3 grazeable acres, but Hanson stated this is a misprint and City Code states one cow requires 1.4 acres and two hundred (200) chickens require 2 grazeable acres. The property contains approximately 3.25 acres of fenced grazeable lands; however, there is land available to expand the pastured area if needed. The cows and chickens will not have free reign of the fenced acreage, rather the animals will be rotated into different pastured areas so the land is not over-grazed and degraded. Rotating livestock is a common farming practice and Ms. Murphy practices organic/sustainable agricultural practices.

There is shelter provided for the cows; however, the chickens will have access to portable shelters that have roosting boxes. The shelters will be rotated between

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the pastured areas along with the animals.

Ms. Murphy is planning to breed two (2) of the heifers and to possibly have one (1) dairy cow. It is typical for heifers to give birth in the spring and then the calves are weaned by fall. The calves will be weaned at approximately 3 months of age. The calves will either then be sold or brought to a farm Ms. Murphy owns in Wisconsin.

City staff has conducted a site inspection. The property meets the requirements set forth in City Code for the keeping of farm animals.

Staff requests Planning Commission to recommend approval to City Council for an IUP to allow no more than 3 cows and 200 chickens for the property known as 2557 – 225th Avenue NE, East Bethel, PIN's 04-33-23-14-0026 & 04-33-23-14-0012 with the following conditions:

1. An Interim Use Permit Agreement must be signed and executed by the applicants and the City.
2. Applicants must comply with City Code Section 10. Article V. Farm Animals.
3. Permit shall expire when:
   a. The property is sold, or
   b. Non-compliance of IUP conditions
4. Property owner shall have thirty (30) days to remove approved domestic farm animals upon expiration of the IUP.
5. Property will be inspected and evaluated annually by city staff.
6. Conditions of the IUP must be met no later than December 1, 2010. IUP will not be issued until all conditions are met. Failure to meet conditions will result in the null and void of the IUP.

Due to the discrepancy on the acreage, there will need to be some figuring done on the amount of animals that will be allowed.

Public hearing was opened at 7:04 P.M.

Lavonne Murphy, 2557 – 225th Avenue NE, East Bethel. Ms. Murphy stated the requirement is 1.4 acres for regular sized cattle. Her cattle will be a smaller breed of cattle, which will require less grazeable acreage. The breed she is getting is low line angus breed and they utilize the land better.

Moegerle asked about the cows, are they beef cattle? Murphy stated she would like three animal units. She will keep the cows in an area for two days, then move the chickens in, and keep rotating. She wants to start small with the chickens. Moegerle asked again if the cows were for beef? She stated yes, she would like to build a herd. Pierson said 200 chickens is a lot of chickens. Murphy said she doesn't want to degrade the land; she wants to be able to use the animal units on the 5 acres. Holmes asked if the heifers would be bred on site or off-site. Murphy said they would be bred off-site, probably artificial insemination.

Public hearing was closed at 7:08 P.M.

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Hanson said there are so many different animal units. Landborg said a 2,000 lb. animal would eat more than a 200 lb. animal and maybe we should look at changing the animal units on some of the animals. Moline asked if there is other food for the animals other than the grazeable acreage. Murphy stated yes.

Hanson said the units that the City adopted she believes are from the US Department of Agriculture. She will be taking a look at the categories and possibly recommending changes. Moegerle asked how soon Murphy would be getting the chickens. Murphy said she would not be getting the chickens probably until spring. Landborg explained the Commission could approve her for 3 cows and 100 chickens, would that work since you don't meet the grazeable acres for all of the animals. Moegerle asked if the IUP could automatically be increased to 200 chickens if the per unit acreage requirements change. Hanson stated the IUP could be amended as a consent agenda item for the City Council.

Landborg motioned to recommend approval to City Council the Interim Use Permit request by owners/applicants, Daniel and LaVonne Murphy, for Domestic Farm Animals (3 cows, 100 chickens). The location being 2557 225th Ave. NE, East Bethel, MN 55005, PIN 04 33 23 14 0026. The Zoning Classification is Rural Residential (RR) District with the following conditions:

1. **An Interim Use Permit Agreement must be signed and executed by the applicants and the City.**
2. **Applicants must comply with City Code Section 10. Article V. Farm Animals.**
3. **Permit shall expire when:**
   a. **The property is sold, or**
   b. **Non-compliance of IUP conditions**
4. **Property owner shall have thirty (30) days to remove approved domestic farm animals upon expiration of the IUP.**
5. **Property will be inspected and evaluated annually by city staff.**
6. **Conditions of the IUP must be met no later than December 1, 2010. IUP will not be issued until all conditions are met. Failure to meet conditions will result in the null and void of the IUP.**

Pierson seconded; all in favor, motion carries.

This will be before the City Council on November 3, 2010.

Public Hearing to consider adoption of Ordinance 27, Second Series, An Ordinance Amending Appendix A. Zoning, of the East Bethel City Code. The proposed changes include amending

At the August 18, 2010 City Council meeting, staff was directed to explore the possibilities of allowing a place of worship in the City Center (CC) zoning district. "Place of Worship" is defined as "a building, together with its accessory buildings and uses, where persons regularly assemble for religious worship and which is maintained and controlled by a religious body organized to sustain public worship."

After discussion between staff, City Council, and the City Attorney, it is being recommended to make "Place of Worship" as defined in the City zoning

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Section 49. City Center (CC) District to include essential governmental services, and to include Place of Worship as an interim use; and proposed changes to the Home Occupation regulations.

regulations as an interim use permit (IUP) in the CC district. Attachment 1 is Ordinance 27, Second Series, An Ordinance Amending Appendix A. Zoning, of the East Bethel City Code and reflects the proposed amendment.

At the September 28, 2010 Planning Commission meeting, Commission members discussed the existing language pertaining to home occupations and its' interpretation as it related to a specific request for an IUP.

Appendix A, Zoning, Section 10.18 Home Occupations current language reads "a home occupation shall occupy no more than 50 percent of the floor of the structure. This shall include offices of professionals, home beauty shops, and other such occupations that by custom are an accessory use." In the past, when a request for a home occupation was presented, staff applied the provisions of this section of code to mean only 50 percent of the structure that the home occupation could occupy. It made no difference whether it was a tax service in the principal structure or a catering business in the accessory structure when this section of the Zoning Ordinance was applied.

During the discussion, Planning Commission members and Councilmember Voss indicated that they thought this might be a misapplication of the intent of this section of the Zoning Ordinance. Based on the discussion, it was indicated that the intent of the code was directed towards home occupations in a principal structure but does not regulate home occupations in an accessory structure. Planning Commission, by consensus, seemed to indicate it favored home occupations in an accessory structure having an ability to use the entire square footage of the accessory structure for the business.

Based on the discussion, Planning Commission asked staff to propose language to the Zoning Ordinance that would clarify this section. There was consensus that the City fully supports the "home occupation" concept as it frequently provides a base from which a full commercial venture grows.

On October 6, 2010, a proposed amendment was forwarded to City Council for their review; at which City Council directed staff to move forward with the proposed amendment. The proposed amendment will occur in Appendix A, Zoning, Section 10.18 Home Occupations and would include the following (Attachment 1 is Ordinance 27, Second Series, an Ordinance Amending Appendix A. Zoning, of the East Bethel City Code and reflects the proposed amendment):

Delete the language "A home occupation shall occupy no more than 50 percent of the floor area of the structure. This shall include offices of professionals, home beauty shops, and other such occupations that by custom are an accessory use".

The language is proposed to be replaced with <u>"The area set aside for the home occupation in the principal structure shall not exceed 50 percent of the gross living area of the principal structure."</u>

Additional language is proposed to read: <u>"The area set aside for the home</u>

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occupation in attached or detached accessory structures or garages shall not exceed total accessory structure space allowed on the property of the home occupation."

City staff requests Planning Commission to recommend approval to City Council of Ordinance 27, Second Series, An Ordinance Amending Appendix A. Zoning, of the East Bethel City Code.

Public hearing was opened at 7:18 P.M.

Robert Deroche, 158 Colleen Street, Wyoming, MN. He was wondering what prompted the change, why the rezoning?

Holmes stated because the Planning Commission has had circumstances more than once where a resident wants to use their accessory building for a business, but they can only use 50% of the their accessory building. That is why we the Commission agreed to look at this.

Deroche said the accessory building could be used for whatever you want. Holmes stated according to these proposed change, the accessory structure can be used 100 percent for a business, but only 50 percent of the house would be able to be used.

Moegerle said she did research on this topic and she is concerned about the theory that the home occupation could be in a structure that is larger than the house. If we allow the business to be in a building that is larger than the house, would we be creating a commercial area. The Commission members stated no, it would not be. Terry stated the business also has to pass the test of the home occupation. Moegerle said maybe we should spell it out more. Holmes said City staff understands the recommendations and they do a great job of explaining the requirements. Landborg explained the size of an accessory structure is regulated based on the parcel size. Holmes said if someone comes in and says I have three acres, and I have an accessory structure that is 1,100 square feet, could I add on to it. Holmes said staff would then explain the limitation on the size of the building they can have based on the acreage they have.

Public hearing closed at 7:24 P.M.

Terry motioned to recommend approval to City Council the adoption of Ordinance 27, Second Series, An Ordinance Amending Appendix A. Zoning, of the East Bethel City Code. The proposed changes include amending Section 49. City Center (CC) District to include essential governmental services, and to include Place of Worship as an interim use; and proposed changes to the Home Occupation regulations. Pierson seconded; all in favor, motion carries.

This will be before the City Council on November 3, 2010.

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Approve September 28, 2010 Planning Commission Meeting Minutes

Holmes had three changes in the minutes. Each time there is a closing of a public hearing add P.M. to them. Terry stated on page 11, the sentence near the bottom needs to have "expect" added to it. "Terry asked why he would *expect* to benefit from what the neighbors would do." Then four sentences down he also wanted added, "troubling". There hasn't been any "troubling" smell from them.

Pierson motioned to approve the September 28, 2010 minutes. Moegerle seconded; all in favor, motion carries.

Other

Terry wanted to clear the air on a letter about the ethics policy that the Commission members received. He is the person discussed in the letter. He stated that he did some mural work for the City at about one-third of the actual cost and there was no conflict of interest because he was nearly giving away his work. He stated that he did the work at what he claims amounted to as a loss. In the letter it was mentioned as a troubling ethics situation and he is pretty bothered by that characterization, to have his ethics questioned. This is coming from a Council that is wrecklessly pursing a sewer and water policy that will bankrupt the City.

Moline stated Cambridge has a policy on ethics and she thinks their policy is good and didn't know if anyone wanted to take a look at it. Moegerle wanted to know how many pages the policy is. Moline said it is six pages and it was put in effect after Moline claimed the City went bankrupt. Moegerle wants to know what is different in the Cambridge policy than what is in the October 13, 2010 letter. Moline said it is similar as most cities follow the League of Minnesota Cities model ordinance. Holmes said maybe that could be presented to the City Council. Moline said she would present it.

Adjourn

Moegerle made a motion to adjourn the meeting at 7:38 PM. Pierson seconded; all in favor, motion carries.

Submitted by:

Jill Teetzel
Recording Secretary

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City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010
* *

Agenda Item Number:
Item 7.0 A.1
* *

Agenda Item:
Planning Commission Meeting Minutes for October 26, 2010
* *

Requested Action:
Information Only
* *

Background Information:
Information Only. These minutes are in draft form. They have not been approved by the Planning Commission.
* *

Fiscal Impact:
None
* *

Recommendation(s):
Information Only
* *

City Council Action

Motion by:________________ Second by:________________

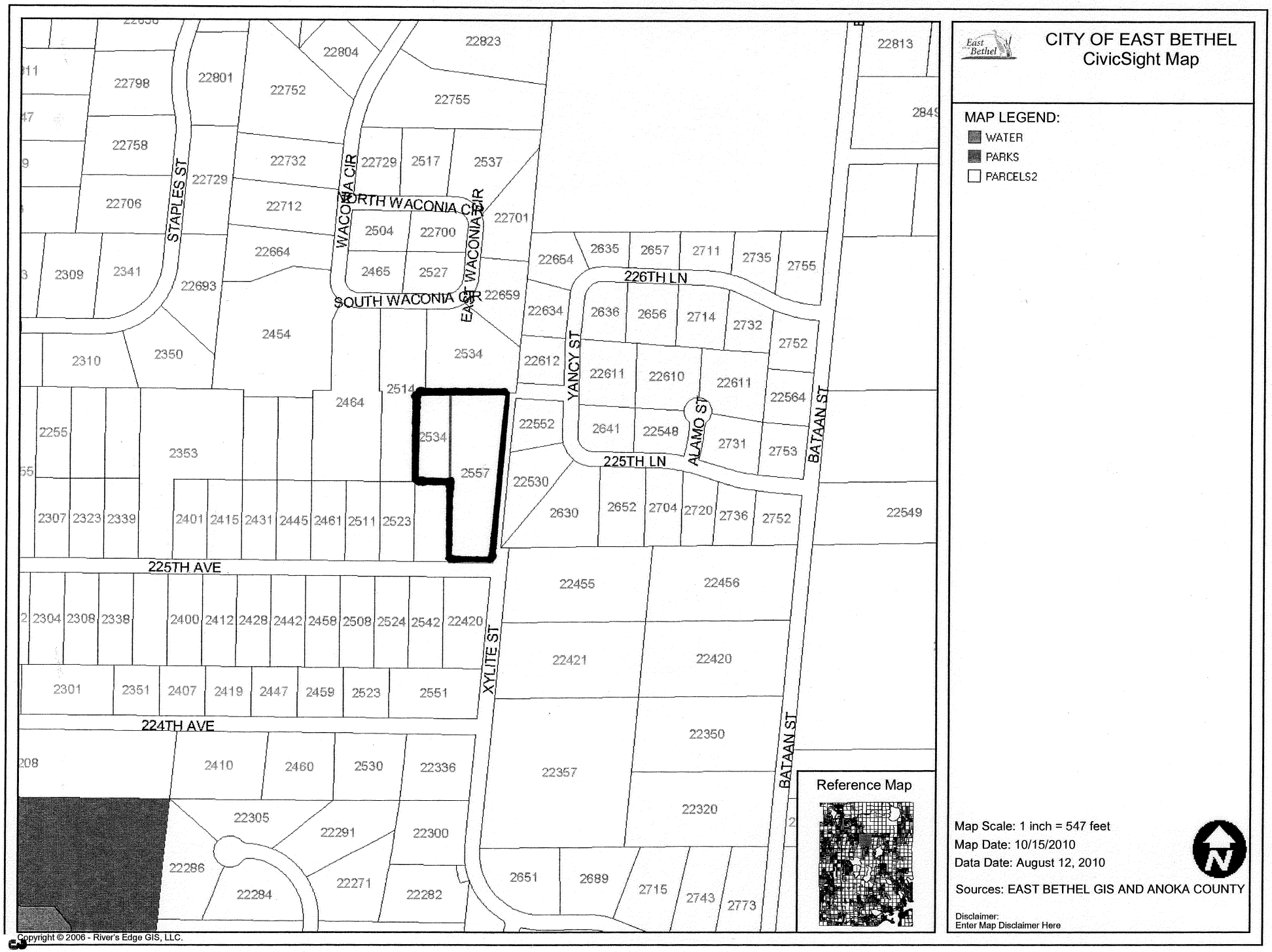
____

____

____

Vote Yes:_____ Vote No:_____

No Action Required:__X___



Attachment #1

East Bethel
City of

LAND USE APPLICATION

OFFICE USE ONLY
Date Rec'd 10/8/10
By [illegible]
Fee $ 150 app fee
150 escrow
pd. CK# 5050

Check appropriate box: ☐ VARIANCE ☐ CUP ☒ IUP ☐ FINAL PLAT

☐ BUSINESS CONCEPT PLAN ☐ PRELIMINARY PLAN ☐ SITE PLAN REVIEW ☐ OTHER_____

Application shall include the following items and be submitted thirty (30) days prior to scheduled meeting date.

Application is hereby made for _____ (provide narrative below describing proposed use).

3 Cows and 200 Chickens

LOCATION: PID 04332314002 & 04332314001 2 **Legal: Lot** _____ **Block** _____ **Subdivision** _____

PROPERTY ADDRESS: 2557 225 AVE N.E **PRESENT ZONING:** RR

PROPERTY OWNER

CONTACT NAME LaVonne Murphy PHONE 763-434-7153
ADDRESS 2557 225 AVE N.E FAX —
CITY/STATE/ZIP East Bethel, MN 55005-9740 E-MAIL lavonnemurphy@hotmail.com

APPLICANT

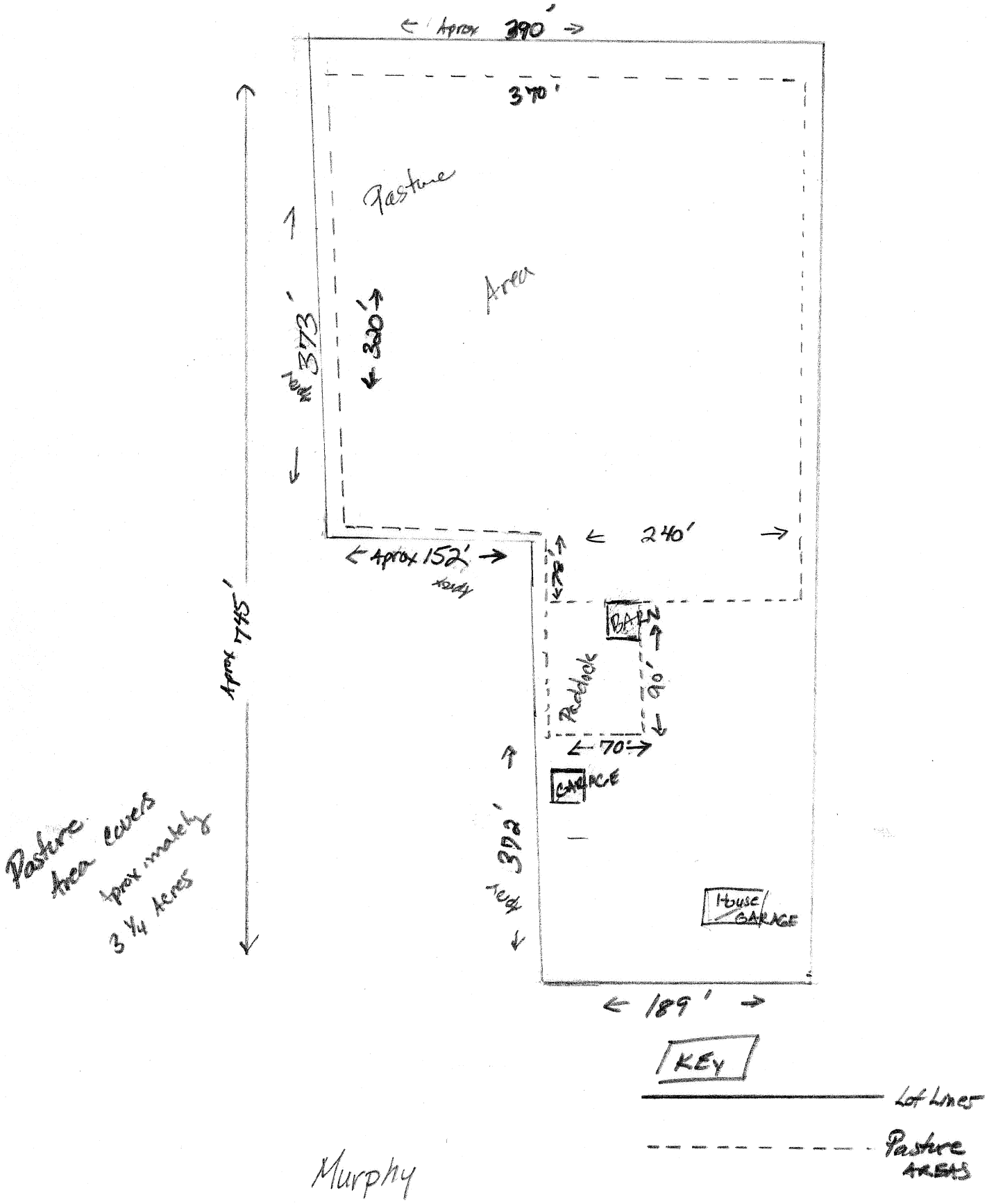
CONTACT NAME LaVonne Murphy PHONE 763-434-7153
ADDRESS 2557 225 AVE NE FAX —
CITY/STATE/ZIP East Bethel, MN 55005-9740 E-MAIL lavonnemurphy@hotmail.com

I fully understand that I must meet with City Staff to review all submission requirements and conditions prior to official submission, and that all of the required information must be submitted at least thirty (30) days prior to the Planning/Zoning Commission and City Council scheduled meeting dates to ensure review by City Staff.

LaVonne D Murphy — Property Owner's Signature
LaVonne D. Murphy — Printed Name
10/8/2010 — Date

Attachment #2

OFFICE USE ONLY – DO NOT COMPLETE			
	Received	Approved/Denied	Notes
Community Dvlp.			
7 pm Planning Commission	10/26/10		
7 30 pm City Council	11/17/10		
12/7/10 60 Day		_____ 120 Day	



Murphy

2557 225 AVE NE

EAST Bethel, MN 55005

Attachment #3

CERTIFICATION OF MINUTES RELATING TO
$6,100,000 TAXABLE GENERAL OBLIGATION UTILITY REVENUE BONDS,
SERIES 2010B
(BUILD AMERICA BONDS - DIRECT PAY)

Issuer: City of East Bethel, Minnesota

Governing Body: City Council

Kind, date, time and place of meeting: A regular meeting held November 17, 2010, at 7:30 o'clock P.M., at the City Hall in East Bethel, Minnesota.

Members present: Mayor hunter, Council Members Boyer, Channer and Paavola

Members absent: Council Member Voss

Documents Attached:

Minutes of said meeting (including):

RESOLUTION NO. 2010-67

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $6,100,000 TAXABLE GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2010B (BUILD AMERICA BONDS - DIRECT PAY)

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on November 17, 2010.

_____

City Administrator

It was reported that one (1) proposal for the purchase of $6,100,000 Taxable General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds - Direct Pay) was received prior to 11:00 o'clock a.m., Central time, pursuant to the Official Statement distributed to potential purchasers of the Bonds by Springsted Incorporated, financial consultants to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

See Attached

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2010 -67

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF $6,100,000 TAXABLE GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2010B (BUILD AMERICA BONDS - DIRECT PAY)

BE IT RESOLVED by the City Council, City of East Bethel, Minnesota (the "City"), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This City Council, by resolution duly adopted on October 20, 2010, authorized the issuance and sale of its $6,100,000 Taxable General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds - Direct Pay) (the "Bonds"), pursuant to Minnesota Statutes, Sections 444.075 and 115.46 and Chapter 475. Proceeds of the Bonds will be used to finance infrastructure projects in the City (the "Projects") including improvements to the City's sanitary sewer system and construction of a new water system (collectively, the "Systems").

1.02. Sale. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the City by Springsted Incorporated, sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The bids have been opened and publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of Robert W. Baird & Company, Incorporated, in Milwaukee, Wisconsin (the "Purchaser") to purchase the Bonds at a price of $6,026,815.00 plus accrued interest on all Bonds to the date of issuance and delivery, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Administrator are hereby authorized and directed on behalf of the City to execute a contract for the sale of the Bonds with the Purchaser in accordance with the Terms of Proposal. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

1.04. Build America Bonds Designation. The City hereby irrevocably designates the Bonds as "Build America Bonds," and irrevocably elects to have Section 54AA(g) of the Internal Revenue Code of 1986, as amended (the "Code"), apply to the Bonds, with the result that the City shall be entitled to the credit provided in Section 6431 of the Code.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing,

having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of $5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

Year	Amount	Rate	Year	Amount	Rate
2016	$ 90,000	3.10%	2021	$ 170,000	4.70%
2017	120,000	3.50	2025	765,000	5.60
2018	210,000	3.80	2030	1,190,000	6.50
2019	220,000	4.25	2035	1,555,000	6.75
2020	220,000	4.50	2040	1,560,000	7.00

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2011, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month immediately preceding the Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing in 2022 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in integral multiples of $5,000, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City Administrator shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.06 hereof, provided that notice shall be given to any securities depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any

Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

The Bonds are also subject to extraordinary redemption, at the option of the City, in whole, but not in part, at a redemption price equal to par plus accrued interest to the redemption date, upon or on any date after the occurrence of a Determination of Ineligibility. A "Determination of Ineligibility" means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which would have the effect of deeming, determining or rendering the Bonds not qualified for treatment as Qualified Build America Bonds under Section 54AA of the Code; (ii) the federal government discontinues the Build America Bonds direct payment program or reduces the refundable credit to the City with retroactive applicability to bonds issued prior to the date of such discontinuance or reduced refundable credit; or (iii) the receipt by the City of a written opinion of nationally recognized bond counsel selected by the City to the effect that the Bonds are not Qualified Build America Bonds under Section 54AA of the Code.

Bonds maturing on February 1, 2025, 2030, 2035, and 2040 (the "Term Bonds") shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

Year	Principal Amount
2022	$175,000
2023	190,000
2024	195,000

The remaining $205,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2025.

Year	Principal Amount
2026	$215,000
2027	225,000
2028	235,000
2029	250,000

The remaining $265,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2030.

Year	Principal Amount
2031	$275,000
2032	295,000
2033	310,000
2034	330,000

The remaining $345,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2035.

Year	Principal Amount
2036	$280,000
2037	295,000
2038	310,000
2039	330,000

The remaining $345,000 stated principal amount of such Bonds shall be paid at maturity on February 1, 2040.

Notice of redemption shall be given as provided in the preceding paragraph.

2.05. Appointment of Registrar. The City hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the "Registrar"). The Mayor and City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the "Bond Register") in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership,

trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds 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 such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than $5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any 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 shall 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 City 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 the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes; and all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof 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 Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall 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 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 the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and authenticated, the City Administrator shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the City agrees to comply with DTC's Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Administrator is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA

CITY OF EAST BETHEL

TAXABLE GENERAL OBLIGATION UTILITY REVENUE BOND, SERIES 2010B
(BUILD AMERICA BONDS - DIRECT PAY)

Interest Rate	Maturity Date	Date of Original Issue	CUSIP No.
%	February 1, 20__	December 15, 2010	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF EAST BETHEL, State of Minnesota (the "City") 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 the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2011 (each such date, an "Interest Payment Date"), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month immediately preceding the Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, St. Paul, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar") or other agreed-upon means of payment by the Registrar or its designated successor.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of $6,100,000 issued pursuant to a resolution adopted by the City Council on November 17, 2010 (the "Resolution"), finance infrastructure projects in the City (the "Projects") including improvements to the City's sanitary sewer system and construction of a new water system (collectively, the "Systems"), and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 444.075 and 115.46 and Chapter 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of $5,000 or any integral multiple thereof, of single maturities.

Bonds maturing in 2022 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of $5,000, on February 1, 2021, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

The Bonds are also subject to extraordinary redemption, at the option of the City, in whole, but not in part, at a redemption price equal to par plus accrued interest to the redemption date, upon or on any date after the occurrence of a Determination of Ineligibility. A "Determination of Ineligibility" means (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which would have the effect of deeming, determining or rendering the Bonds not qualified for treatment as Qualified Build America Bonds under Section 54AA of the Code; (ii) the federal government discontinues the Build America Bonds direct payment program or reduces the refundable credit to the City with retroactive applicability to bonds issued prior to the date of such discontinuance or reduced refundable credit; or (iii) the receipt by the City of a written opinion of nationally recognized bond counsel selected by the City to the effect that the Bonds are not Qualified Build America Bonds under Section 54AA of the Code.

Bonds maturing in the years 2025, 2030, 2035, and 2040 shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

Term Bonds Maturing in 2025

Sinking Fund Payment Date	Aggregate Principal Amount
2022	$175,000
2023	190,000
2024	195,000
2025	205,000

Term Bonds Maturing in 2030

Sinking Fund Payment Date	Aggregate Principal Amount
2026	$215,000
2027	225,000
2028	235,000
2029	250,000
2030	265,000

Term Bonds Maturing in 2035		Term Bonds Maturing in 2040	
Sinking Fund Payment Date	Aggregate Principal Amount	Sinking Fund Payment Date	Aggregate Principal Amount
2031	$275,000	2036	$280,000
2032	295,000	2037	295,000
2033	310,000	2038	310,000
2034	330,000	2039	330,000
2035	345,000	2040	345,000

Notice of redemption shall be given as provided in the preceding paragraph.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City 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 City will cause a new Bond or Bonds to be issued in the name of the designated 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 any such transfer or exchange.

The City 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 as herein provided and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

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 City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to collect and apply to payment of the Bonds certain net revenues of the Systems, the federal direct payment credit described in Section 6431 of the Code and ad valorem taxes levied on all taxable property in the City, which revenues, direct payment credit and taxes are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such revenues and taxes to its Taxable

General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds - Direct Pay) Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the improvements financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Administrator and has caused this Bond to be dated as of the date set forth below.

CITY OF EAST BETHEL, MINNESOTA

_____ _____

(facsimile signature – City Administrator) (facsimile signature – Mayor)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM - as tenants in common

UTMA ..... as Custodian for …….....
(Cust) (Minor)

TEN ENT - as tenants by the entireties

under Uniform Transfers to Minors Act ..……...
(State)

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used.

_____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

_____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

_____

[end of bond form]

SECTION 3. USE OF PROCEEDS. There is hereby established on the official books and records of the City a separate fund designated the Taxable General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds - Direct Pay) Construction Fund (the "Construction Fund"). The Construction Fund shall be maintained until all costs and expenses incurred by the City in connection with the construction of the Projects have been paid. To the Construction Fund there shall be credited from the proceeds of the Bonds the sum of $5,630,131.60, and from the Construction Fund there shall be paid all costs and expenses incurred in construction of the Projects. After payment of all such costs, the Construction Fund shall be discontinued.

At such time as the Project is completed the City shall apply any remaining balance in the Construction Fund, including any investment earnings having accrued therein, to the defeasance of a proportionate amount of the Bonds in accordance with Section 1.1001-3 of the Regulations, as amended, or in such other manner as the City's bond counsel shall approve.

SECTION 4. TAXABLE GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2010B (BUILD AMERICA BONDS - DIRECT PAY) BOND FUND. So long as any of the Bonds are outstanding and any principal or interest thereon unpaid, the City Administrator shall maintain on the official books and records of the City a separate fund designated the Taxable General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds - Direct Pay) Bond Fund (the "Bond Fund"). Into the Bond Fund shall be paid (a) the amounts specified in Section 3 above, (b) any amount in excess of the amounts credited to the Construction Fund as provided in Section 3 hereof received from the Purchaser upon delivery of the Bonds, (c) the net revenues described in Section 5 hereof, (d) any taxes collected pursuant to Section 6 hereof, (e) the federal direct payment credit expected to be received from the United States Treasury as described in Section 6431 of the Code, and (f) any other funds appropriated by the City Council for the payment of the Bonds. The principal of and interest on the Bonds shall be payable from the Bond Fund, and the money on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. If the balance on hand in the Bond Fund is at any time insufficient to pay principal and interest then due on the Bonds, such amounts shall be paid from other money on hand in other funds of the City, which other funds shall be reimbursed therefor when sufficient money becomes available in the Bond Fund. The City Council also covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to pay any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount set forth in (b) above. Thereafter, during each Bond Year (i.e., each twelve month period commencing on February 2 and ending on the following February 1), as monies are received into the Bond Fund, the City Administrator shall first deposit such monies into the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Administrator shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to

time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

SECTION 5. PLEDGE OF NET REVENUES. It is hereby found, determined and declared that the City owns and operates each System as a revenue-producing utility and convenience; and that the net operating revenues of each System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other pledged funds, for the payment when due of the principal of and interest on the Bonds herein authorized, and on any other bonds to which such revenues are pledged.

Pursuant to Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the registered owners from time to time of the Bonds, that until the Bonds and the interest thereon are discharged as provided in Section 7 or paid in full, the City will impose and collect reasonable charges in accordance with said Section 444.075 for the service, use and availability of the Systems according to schedules sufficient to produce net revenues sufficient, with other funds pledged to payment of the Bonds, to pay the Bonds and any other bonds to which said net revenues have been pledged; and the net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Bonds herein authorized and interest thereon when due. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of the net revenues of the Systems for payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the Systems will be sufficient, together with any other sources pledged to the payment of the outstanding and additional obligations, for payment of the outstanding bonds and such additional obligations. Such further pledges and appropriations of net revenues may be made superior or subordinate to or on a parity with, the pledge and appropriation herein made.

SECTION 6. PLEDGE OF TAXING POWERS. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. However, it is presently estimated that the net revenues of the Systems, together with other funds to be appropriated by the City to the Bond Fund, will produce amounts not less than five percent in excess of the amounts needed to meet when due the principal and interest payments on the Bonds and therefore no ad valorem taxes are required to be levied at this time.

SECTION 7. DEFEASANCE. When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, 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 from the due date to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. The City may also at any

time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

SECTION 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. General Tax Covenant. The City agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds, if the interest on the Bonds were intended to be tax-exempt, will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund will be expended solely for the payment of the costs of the Projects. The Projects are and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or other agreement with any non-governmental person relating to the use of the Projects, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Mayor and City Administrator being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, if the interest on the Bonds were intended to be tax-exempt, to be "arbitrage bonds" within the meaning of the Code and Regulations.

8.03. Arbitrage Rebate. The City acknowledges that the Bonds may be subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at

such times as are required under said Section 148(f) and applicable Regulations to preserve the status of the Bonds as Build America Bonds under Section 54AA of the Code, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

8.05. Reimbursement. The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Projects which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the City is in compliance with the relevant provisions of the American Recovery and Reinvestment Act of 2009 and unless the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Projects meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Projects as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Bonds.

8.06. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before 365 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2010, the following financial information and operating data in respect of the City (the Disclosure Information):

(A) the audited financial statements of the City for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the City, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: City Property Values; City Indebtedness; and City Tax Rates, Levies and Collections.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet Web site of the Municipal Securities Rulemaking Board ("MSRB"). The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events (each a "Material Fact"):

(A) Principal and interest payment delinquencies;
(B) Non-payment related defaults, if material;
(C) Unscheduled draws on debt service reserves reflecting financial difficulties;
(D) Unscheduled draws on credit enhancements reflecting financial difficulties;
(E) Substitution of credit or liquidity providers, or their failure to perform;
(F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(G) Modifications to rights of security holders, if material;
(H) Bond calls, if material, and tender offers;
(I) Defeasances;
(J) Release, substitution, or sale of property securing repayment of the securities, if material;
(K) Rating changes;
(L) Bankruptcy, insolvency, receivership or a similar event with respect to the obligated person;
(M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, a Material Fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but

subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
(C) the termination of the obligations of the City under this section pursuant to subsection (d);
(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
(E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

(1) The City agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in subsection (b).

(2) The City further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described in subsection (b) to any rating agency then maintaining a rating of the Bonds at the request of the City and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection (c), or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(3) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section

will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.01. Registration of Bonds. The City Administrator is hereby authorized and directed to file a certified copy of this Resolution with the County Auditor, together with such additional information as the Auditor may require, and to obtain from the Auditor a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the Auditor's bond register.

9.02. Authentication of Transcript. The officers of the City and the County Auditor are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits

and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

9.03. Official Statement. The Official Statement relating to the Bonds, dated November 3, 2010, prepared and distributed by Springsted Incorporated, the financial consultant for the City, is hereby approved. Springsted Incorporated is hereby authorized on behalf of the City to prepare and deliver to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule l5c2-12 adopted by the SEC under the Securities and Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

9.04. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 17th day of November, 2010 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Greg Hunter, Mayor

ATTEST:

_____

Douglas Sell, City Administrator

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 7.0 A.2

* *

Agenda Item:
Request for an Interim Use Permit (IUP) for Farm Animals in the RR - Rural Residential District

* *

Requested Action:
Consider approval of an IUP for the keeping of 3 cows and 100 chickens for Ms. LaVonne Murphy

* *

Background Information:
Property Owner/Applicant:
LaVonne Murphy
2557 – 225th Avenue NE
East Bethel, MN 55005
PIN's 04-33-23-14-0026 & 04-33-23-14-0012

Ms. Murphy is requesting an IUP for the purpose of keeping three (3) cows and up to one-hundred (100) chickens for egg production on the 5.12 acres she owns in East Bethel.

East Bethel City Code Section 10, Article V. Farm Animals, requires that no animals that are regulated by the code can be kept on a parcel of land located within a platted subdivision or on any parcel of land of less than three (3) acres (130,680 square feet). The 5.12 acre parcel is not located within a platted subdivision.

City Code has a limit on the number of animals allowed per parcel. Three (3) cows require 4.2 grazable acres, and one-hundred (100) chickens require 1 grazable acre. The property contains approximately 3.25 acres of fenced grazable lands; however, there is land available to expand the pastured area if needed. The cows and chickens will not have free reign of the fenced acreage, rather the animals will be rotated into different pastured areas so the land is not over-grazed and degraded. Rotating livestock is a common farming practice and Ms. Murphy practices organic/sustainable agricultural practices.

There is shelter provided for the cows; however, the chickens will have access to portable shelters that have roosting boxes. The shelters will be rotated between the pastured areas along with the animals.

Ms. Murphy is planning to breed two (2) of the Lowline heifers and to possibly have one (1) dairy cow. It is typical for heifers to give birth in the spring and then the calves are weaned by

fall. The calves will be weaned at approximately 3 months of age. The calves will either then be sold or brought to a farm Ms. Murphy owns in Wisconsin.

City staff has conducted a site inspection. The property meets the requirements set forth in City Code for the keeping of farm animals.

Attachments:

1. Parcel Location
2. Application
3. Site Plan

* *

Fiscal Impact:
None at this time

* *

Recommendation:
Planning Commission recommends approval to City Council for an IUP to allow no more than 3 cows and 100 chickens for the property known as 2557 – 225th Avenue NE, East Bethel, PIN's 04-33-23-14-0026 & 04-33-23-14-0012 with the following conditions:

1. An Interim Use Permit Agreement must be signed and executed by the applicants and the City.
2. Applicants must comply with City Code Section 10. Article V. Farm Animals.
3. Permit shall expire when:
   a. The property is sold, or
   b. Non-compliance of IUP conditions
4. Property owner shall have thirty (30) days to remove approved domestic farm animals upon expiration of the IUP.
5. Property will be inspected and evaluated annually by city staff.
6. Conditions of the IUP must be met no later than December 1, 2010. IUP will not be issued until all conditions are met. Failure to meet conditions will result in the null and void of the IUP.

* *

City Council Action

Motion by:________________ Second by:________________

____

____

____

Vote Yes:_____ Vote No:_____

No Action Required:_____

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 7.0 A.3

* *

Agenda Item:
Interim Use Permit (IUP) Request for a Home Occupation by Tim Christensen

* *

Requested Action:
Consider an IUP for an Automotive Repair Facility and a Minnesota Vehicle Dealer License in the R1 – Single Family Residential District

* *

Background Information:

Property Owners/Location:
Ken & Lois Landborg
1507 205th Avenue NE
East Bethel, MN 55011
PIN 17-33-23-43-0010

Applicant:
Tim Christensen
1431 County Rd 6
Stanchfield, MN 55080

The property owners and applicant are requesting an IUP for an automotive repair business and a vehicle dealer's license for the 6.41 acre parcel located at 1507 205th Avenue NE. Mr. Christensen is interested in residing in East Bethel and purchasing the property. The purchase of the property is contingent on the approval of the IUP.

The automotive repair business entails the repair of approximately 3-5 vehicles on a daily basis, possibly 5 courier deliveries per week, and vehicle storage in the detached accessory structure or in an existing fenced area adjacent to the structure. If the IUP is approved, all exterior storage must be screened from neighboring properties and the right-of-way.

The Minnesota Vehicle Dealer License is intended so the applicant can repair and sell vehicles as well. Minnesota law requires a Vehicle Dealer License with the sale of more than five vehicles per year. The intention is not to have an inventory of more than five vehicles for sale at any given time. Marketing of the vehicles will be done by internet. It is presumed that some customers will visit the location, however, it will not be open to the public.

According to the license application for a Minnesota Dealer's License, "new, used, salvage pool and auctioneer dealers must have a commercial building, which means a permanent, enclosed building that is on a permanent foundation and is connected to local sewer and water facilities or otherwise complies with local sanitation codes. Further, such a structure is adapted to commercial use and conforms to local government zoning requirements (MN Stat. 168.27 subd.1)." The State requirements conflict with East Bethel City Code Appendix A, Zoning 14.J, which states detached accessory structures "must not contain sewage treatment facilities." If the

request for the Motor Vehicle Dealer License is approved, this particular requirement of the license cannot be met as it would be in violation of city code. The applicant and landowners could submit a variance request, however, the applicant must show that the property in question cannot be put to a reasonable use without the variance.

According to Mr. Martin, Building Official, an automotive repair facility (without the dealer license) may require a commercial building if it is open to the public. This means a change in occupancy use of the structure. If the change in occupancy use occurs, the structure must then comply with current building codes, fire codes, and state mechanical and plumbing codes. According to Mr. Christensen, the business will not be open to the public as a commercial entity. There will be no sales of parts, materials, or other services. Customers will only be on site to drop off for repairs and pick up. If the IUP is approved, the IUP will not be issued until all code requirements are met. The Building Official will make the final determination.

On November 3, 2010, City Council approved Ordinance 27, Second Series, An Ordinance Amending Appendix A. Zoning, of the East Bethel City Code which states "the area set aside for the home occupation shall not exceed 50 percent of the gross living area of the principal structure and the area set aside for the home occupation in the attached or detached accessory structures or garages shall not exceed total accessory structure space." The proposed business will be conducted out of the existing 4800 square foot detached accessory structure. However, East Bethel City Code, with offices in the principal structure.

At this time Mr. Christensen will be the only employee. However, city code states that no more than three persons, at least one of whom shall reside within the principal dwelling, shall be employed by the home occupation. Mr. Christensen would be allowed to have up to two additional employees as long as he lives in the principal structure.

Automotive repair facilities generate hazardous waste. The applicant has not submitted an application for a Hazardous Waste Generator License through Anoka County. If the IUP request is approved, the applicant is required to obtain the appropriate license from Anoka County prior to the issuance of the IUP. In addition, the applicant would be required to submit the license to staff along with yearly inspections reports.

Mr. Christensen's letter states that no road signage is anticipated other than the minimum required by Minnesota Law. Staff does not know the signage requirements by the state, however, Mr. Christensen would be required to comply with East Bethel City Code, Chapter 54, which states "for home occupations, one identification sign is permitted, and the sign shall not exceed two square feet." Signs must be placed on the business' property as directional signs are not allowed.

Staff has received two (2) comment letters from the public regarding concerns of the IUP request. These letters have been attached for your review (attachment 6).

Attachments:

1. Site Location
2. Application
3. Site Plan
4. East Bethel City Code Appendix A, Zoning, Section 10.18, Home Occupations
5. Ordinance 27, Second Series, An Ordinance Amending Appendix A. Zoning, of the East Bethel City Code
6. Public Comment Letters

* *

Fiscal Impact:
Not Applicable
* *

Recommendation:
Planning Commission recommends approval of an IUP for a automotive repair facility and MN Vehicle Dealer License for the property known as 1507 205th Avenue NE, East Bethel, PIN 17-33-23-43-0010, staff recommends the following conditions:

1. Vehicles waiting for repair, vehicles for sale, or vehicles waiting for customer pick up are not allowed to be stored outside in view of the public right-of-way or neighboring properties.
2. Signage must comply with East Bethel City Code, Chapter 54, which states "for home occupations, one identification sign is permitted, and the sign shall not exceed two square feet." Signs must be placed on the business' property as directional signs are not allowed.
3. No more than three persons, at least one of whom shall reside within the principal dwelling, shall be employed by the home occupation.
4. The automotive repair/home occupation will be limited to occupy 4800 square feet of the detached accessory structure and no more than 50% of the principal structure.
5. The IUP will be reviewed by staff and renewed on a yearly basis by City Council in which City Council may require additional conditions where deemed fit.
6. City staff is allowed on the property to conduct random inspections to ensure compliance. Staff will give at least a two hour notice prior to a site inspection.
7. Structure must be inspected by the Fire Inspector on a yearly basis.
8. Site plan with required information must be submitted to the Building Official for review and approval prior to the issuance of the IUP. Building Official will make the final determination of occupancy change and codes to be administered to bring the structure into compliance.
9. Mr. Christensen must submit an approved Hazardous Waste Generator License issued by Anoka County Environmental Services. Inspection reports and annual license renewal must be submitted to City Staff within 30 days after renewal/issuance.
10. Mr. Christensen must submit an approved MN Vehicle Dealer License to the City of East Bethel and obtain a City of East Bethel Automobile Dealer License. Each license is to be renewed on an annual basis. A copy of the renewed annual MN Vehicle Dealer License is to be submitted to City Staff within 30 days of renewal/issuance.
11. Conditions must be met and an IUP Agreement executed no later than January 20, 2011. Failure to comply will result in the null and void of the IUP.
12. Body work and detailing is not allowed as part of the business.

* *

City Council Action

Motion by:_____ Second by:_____

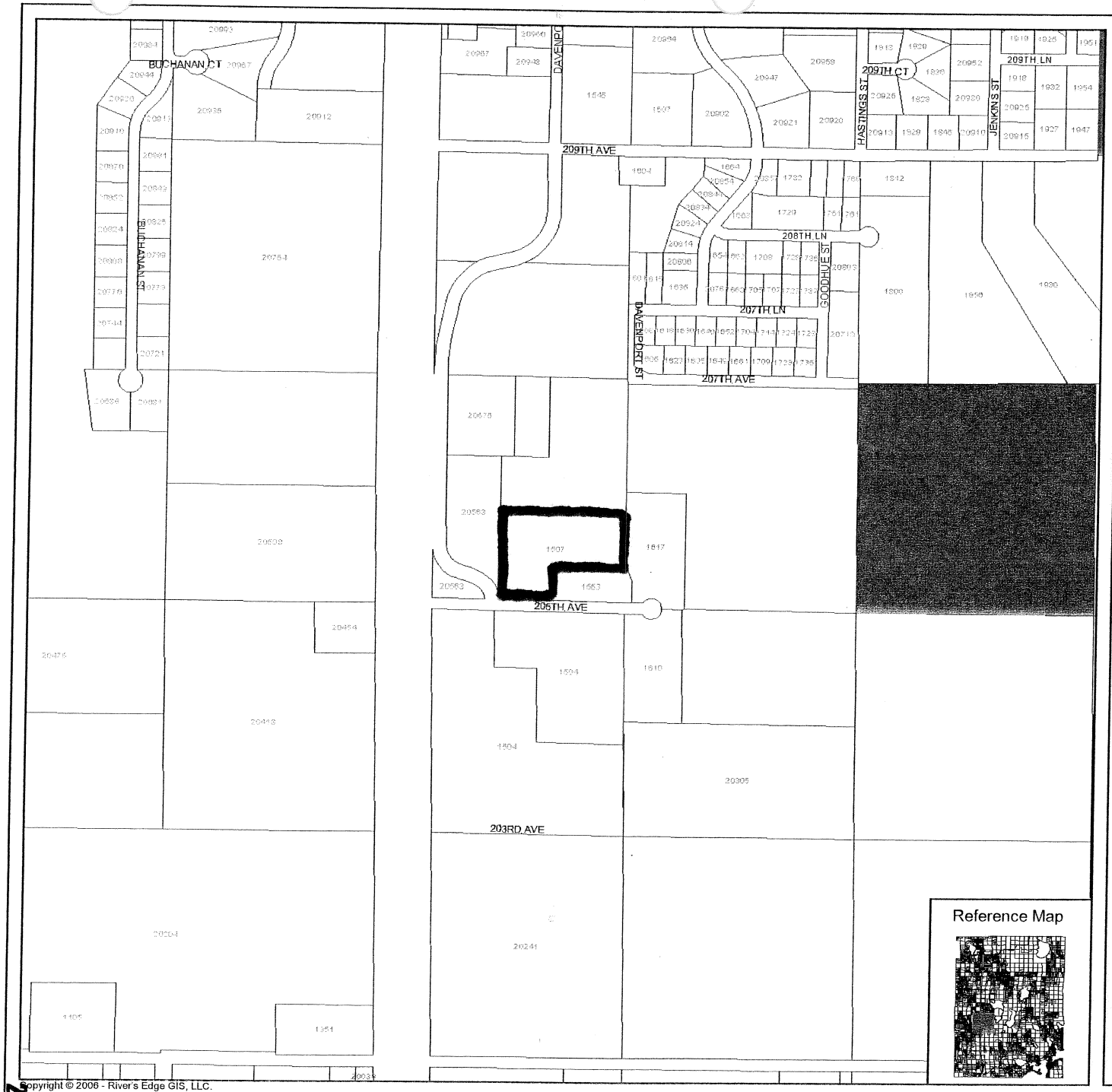
_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____



CITY OF EAST BETHEL
CivicSight Map

PARCEL INFORMATION:

PIN - 173323430010
Owner Info:
Name 1 - LANDBORG KENNETH
Name 2 -
Owner Address - 22205 HWY 6 N
Owner CSZ - DEERWOOD, MN 56444-0000
Site Address - 1507 205TH AVE
Legal Description: THE S 525 FT OF E 717.50 FT OF SW1/4 OF SE1/4 OF SEC 17 TWP 33 RGE 23, EX S 208.75 FT OF E 417.50 FT THEREOF, EX RD, SUBJ TO EASE OF REC

Map Scale: 1 inch = 840 feet
Map Date: 9/16/2010
Data Date: August 12, 2010

Sources: EAST BETHEL GIS AND ANOKA COUNTY

Disclaimer:
Enter Map Disclaimer Here

Copyright © 2006 - River's Edge GIS, LLC.

Attachment #1

City of East Bethel

LAND USE APPLICATION

OFFICE USE ONLY
Date Rec'd 8/27/10
By JSB
Fee $ $150 app fee
$300 escrow

Check appropriate box: ☐ VARIANCE ☐ CUP ☑ IUP ☐ FINAL PLAT

☐ BUSINESS CONCEPT PLAN ☐ PRELIMINARY PLAN ☐ SITE PLAN REVIEW ☐ OTHER_____

Application shall include the following items and be submitted thirty (30) days prior to scheduled meeting date.

Application is hereby made for _____ (provide narrative below describing proposed use).

See Attached - Auto Dealer License & Auto Repair

LOCATION: PID 17-33-23-43-0010 **Legal: Lot** _____ **Block** _____ **Subdivision** _____

PROPERTY ADDRESS: 1507 205th Ave NE **PRESENT ZONING:** R-1

6.41 acres

PROPERTY OWNER

CONTACT NAME Ken & Lois Landberg & Tim Landberg PHONE 612-685-9057

ADDRESS 1507 205th Ave FAX

CITY/STATE/ZIP East Bethel MN 55011 E-MAIL TLCRETEMAN@Aol.Com

APPLICANT

CONTACT NAME Tim Christensen PHONE 763-300-7140

ADDRESS 1431 County Rd. b FAX

CITY/STATE/ZIP Stacchfield MN 55080 E-MAIL

I fully understand that I must meet with City Staff to review all submission requirements and conditions prior to official submission, and that all of the required information must be submitted at least thirty (30) days prior to the Planning/Zoning Commission and City Council scheduled meeting dates to ensure review by City Staff.

Ken Landberg [signature] Ken Landberg Tim Landberg 8-25-10

Property Owner's Signature Printed Name Date

Attachment #2

OFFICE USE ONLY – DO NOT COMPLETE			
	Received	Approved/Denied	Notes
Community Dvlp.	8/27/10		
Planning Commission	9/28/10		
City Council	10/06/10		
10/26/10 60 Day		_____ 120 Day	

TIMOTHY P. CHRISTENSEN

25 August 2010

Re: 1507 – 205th Avenue Northeast
East Bethel, MN 55011
Requested Use Variance

I am negotiating for the purchase of the above-identified property and request a zoning variance for the following intended uses in addition to use as a personal residence:

1. Operation of business repairing vehicles
   a. No road signage anticipated
   b. Anticipate 3-5 automobiles per day,
   c. Possible 5 courier (FedEx/UPS) deliveries per week,
   d. Vehicle storage in out-building or in fenced area adjacent to out-building
   e. Vehicles repairs are primarily complex diagnostic work and related repair of European automobiles.

2. Auto dealer license. License is intended as adjunct to repair business permitting sale of repaired vehicles. Under Minnesota law sale of more than five vehicles per year is prohibited in absence of a dealer's license. There will be no "car-lot" in the normal understanding of that term. Inventory of vehicles for sale at any time is unlikely to exceed five vehicles.
   a. No road signage other than minimum required by Minnesota Law.
   b. No out door display area. The Minnesota State law requirement for display area for five vehicles will be met by space allocated inside the out-building.
   c. No vehicles positioned for sale at roadside.
   d. Vehicle storage in out-building or in fenced area adjacent to out-building.
   e. Marketing of vehicles will be done by internet marketing of individual vehicles.

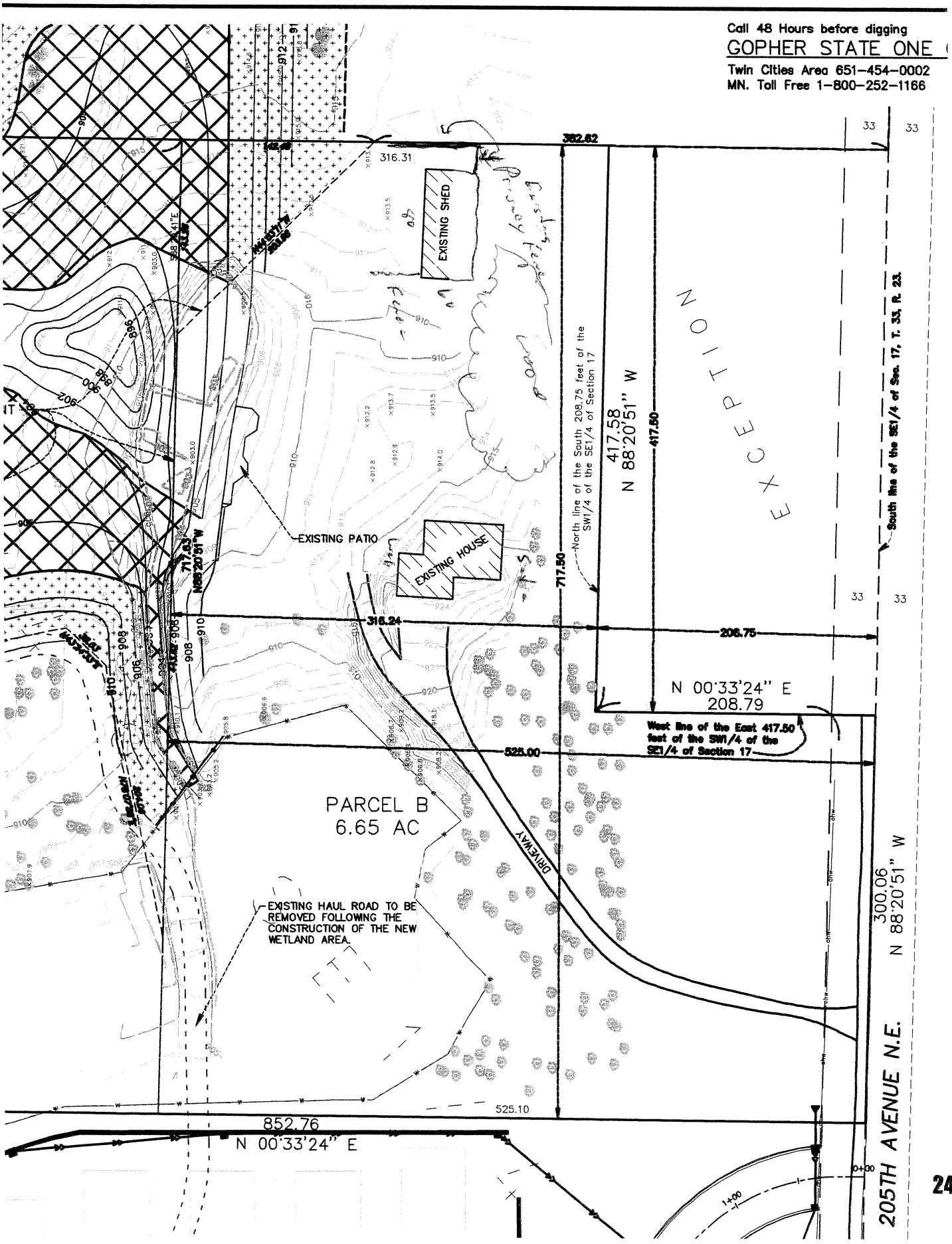
This business is limited to certain types of vehicles and therefore volumes are low with few customers actually visiting the location. Public visits are not encouraged.

Sincerely,

Timothy P. Christensen

cc: Paul G. Christensen, Skjold-Barthel, P.A.
Timothy Landborg

1431 County Road Six Northwest, Stanchfield, Minnesota 55080
763-300-7140
TIMETOSIMPLIFY@COMCAST.NET



Attachment #3

East Bethel City Code, Appendix A. Zoning
Section 10.18, Home Occupations

18. Home Occupations

A. No more than three (3) persons, at least one (1) of whom shall reside within the principal dwelling, shall be employed by the Home Occupation.

B. No traffic shall be generated by any home occupation in a significantly greater volume than would normally be expected from a single-family residence.

C. Any sign associated with the home occupation shall be in compliance with the East Bethel Sign Ordinance.

D. The home occupation shall not generate hazardous waste unless a plan for off-site disposal of the waste is approved.

E. A home occupation at a dwelling with an on-site sewage treatment system shall only generate normal domestic household waste unless a plan for offsite disposal of the waste is approved.

F. The home occupation shall not constitute, create, or increase a nuisance to the criteria and standards established in this ordinance.

G. There shall be no outdoor display or storage of goods, equipment, or materials for the home occupation.

H. Parking needs generated by the home occupation shall be provided on-site.

I. A home occupation shall occupy no more than fifty (50) percent of the floor area of the structure. This shall include offices of professionals, home beauty shops, and other such occupations that by custom are an accessory use.

J. No structural alterations or enlargements shall be made for the sole purpose of conducting the home occupation.

K. There shall be no detriments to the residential character of the neighborhood due to the emission of noise, odor, smoke, dust, gas, heat, glare, vibration, electrical interference, traffic congestion, or any other nuisance resulting from the home occupation.

Attachment #4

ORDINANCE NO. 27, Second Series

AN ORDINANCE AMENDING APPENDIX A. ZONING, OF THE EAST BETHEL CITY CODE

The City Council of the City of East Bethel ordains:

Section 10. GENERAL DEVELOPMENT REGULATIONS

13. Home Occupations

I. The area set aside for the home occupation in the principal structure shall not exceed 50 percent of the gross living area of the principal structure.

L. The area set aside for the home occupation in the attached or detached accessory structures or garages shall not exceed total accessory structure space.

Section 49. CITY CENTER (CC) DISTRICT

2. Permitted uses.

A. The primary land uses within the CC district shall include office, retail, and residential uses. The mix, location, and relationship of these uses shall conform to the land use plan, the purpose statement, and all the specific findings of the city council. In addition, the applicant shall demonstrate to the satisfaction of the city that the proposed lot sizes and land uses and their mix and location are compatible and complementary both internally and with adjacent land uses.

B. Essential Services – Governmental.

4. Interim uses.

A. Grading activities that move more than 1,000 cubic yards of material per acre.

B. Place of worship.

C. Other uses similar to those permitted in this section as determined by the planning and zoning commission and city council.

Attachment #5

Adopted by the City Council of the City of East Bethel, Minnesota, this 3rd day of November, 2010.

For the City:

_____

Greg Hunter, Mayor

ATTEST:

_____

Douglas Sell, City Administrator

Adopted: November 3, 2010
Published: November 12, 2010
Effective: November 12, 2010

November 2, 2010

Dear Council Members,

As business owners in the City of East Bethel, we are zoned commercial, pay commercial property taxes and take pride in the service we provide to our community. We are disappointed to hear that the Planning Commission would consider and approve an agenda item as follows:

> **5.0 Public Hearing/Interim Use Permit – Home Occupation**
>
> **A request by owners, Kenneth and Lois Landborg, and applicants, Tim Landborg and Tim Christensen, for an Interim Use Permit for a home occupation (auto repair shop/auto dealer's license). The location being 1507 205th Ave. NE, East Bethel, MN 55011, PIN 17 33 23 43 0010. The Zoning Classification is R-1 – Single Family Residential.**

As commercial business owners in a tough economy, we struggle to pay commercial property taxes on our properties and do not believe that business should be allowed to move into residential properties. There is a purpose of land classification and allowing one exception will open the door to more. In fact, if this is approved, some of us may consider selling our commercial buildings and seeking residential land to operate our businesses. This option would also allow us to avoid commercial property taxes and cut our expenses.

According to the hearing publication and the Planning Commission roster; the land owner in this permit is related to a board member on the Planning Commission. Apparently, also one of the applicants on the permit is a current board member on the Planning Commission. It appears that with this conflict of interest; all laws, rules, policies and ordinances must be followed and observed by the Council and City of East Bethel.

Sincerely,

East Bethel Business Owners

CEDAR CREEK AUTOMOTIVE

A-BLAST INC.

Wische Commercial Finishes INC.

BLUE SKY ALPACA

WAYNES LIQUORS

LANDY BRAASLAND
LYNN'S

Northway Sports

FATBOYS BAR & GRILL

HAAPOJA PROPERTIES

Attachment #6

Stephanie Hanson

From: Karyn Grabarek [karyng0518@yahoo.com]
Sent: Friday, September 24, 2010 2:10 PM
To: Stephanie Hanson
Subject: Public Hearing - Interim Use Permit for Home Occupation (1507 - 205th Ave NE)

September 24, 2010

TO: City of East Bethel Planning Commission

FROM: Greg Boelter/Karyn Grabarek
1617 – 205th Ave NE
East Bethel, MN

RE: Interim Use Permit for Home Occupation (1507 – 205th Ave NE, East Bethel)
Kenneth/Lois Landborg; Tim Landborg/Tim Christensen
Auto Repair Shop/Auto Dealer's License
PIN 17 33 23 43 0010

This letter serves as written **opposition** to the Interim Permit for Home Occupation at 1507 – 205th Ave. NE, East Bethel.

Our family has lived in East Bethel for almost ten years and chose to move here for two reasons. This city offered a quiet, rural environment and provided a safe neighborhood to raise our children. Granting a zoning variance threatens the very reasons why we moved here in the first place.

The west side of our property line borders the east side of the property line of the address listed above. The out building that sits on the western property line is approximately 150 feet from our front door.

The noise associated with an auto repair business will undoubtedly become extremely invasive. Not only will the general auto repair noise be a problem but the din created by customer traffic, delivery trucks, trash removal, hazardous material removal, etc. will add to the infringement. Due to our close proximity, an additional concern would be the emission of fumes, dust or other matter related to the business.

Our gravest concern, however, is how allowing the zoning variance will affect the safety of our children. An increase in customer and service traffic significantly raises the number of strangers entering our neighborhood. We understand that Mr. Christensen's proposal to the City states that he only expects "five deliveries per week; between three and five automobiles per day; and public visits are not encouraged". Regrettably, these are just estimates and there isn't a guarantee that the figures won't be higher or public visits eventually encouraged. The fact that Mr. Christensen plans to market his vehicles on the internet further jeopardizes the security of our family.

Although Mr. Christensen's request is for an Interim Use Permit and could be revisited, any extended

period will be a long time to manage breaches caused by excessive noise and fumes or have the safety of our family threatened.

Thank you so much for time and attention to this matter.

Sincerely,

Greg & Karyn Boelter

EAST BETHEL PARKS COMMISSION MEETING
October 13, 2010

The East Bethel Parks Commission met on October 13, 2010 at 7:08 P.M at the East Bethel City Hall for their regular monthly meeting.

MEMBERS PRESENT: Dan Kretchmar Tim Hoffman Bonnie Harvey Sue Jefferson Kenneth Langmade Barb Hagenson

MEMBERS EXCUSED: Dan Butler

ALSO PRESENT: Jack Davis, City Public Works Manager
Bill Boyer, City Council Member

Adopt Agenda	**Hoffman made a motion to adopt the agenda as presented. Jefferson seconded; all in favor, motion carries.**
Approve September 8, 2010 Minutes	**Hoffman made a motion to approve the September 8, 2010 minutes. Jefferson seconded; all in favor, motion carries.**
Parks Financial Info	Kretchmar asked about the chemical products. Davis stated it is fertilizer. Kretchmar asked if the slide has been replaced. Davis said yes. It was asked if the irrigation systems were operable. Davis said yes they are and will be shut down this week. Hagenson asked what the cafeteria plan is. Davis explained it is the medical insurance for the employees. Hoffman stated it looks like we are right on target for the budget. Davis concurred. **Hagenson motioned to accept the financial report as presented. Kretchmar seconded; all in favor, motion carries.**
Cedar Creek Pavilion	The City had its' first request to rent the pavilion. There were a number of questions that came up, it is in a unique location, its' on the fringe of the University of MN area. We may want to restrict the use of the fireplace. The Cedar Creek Pavilion, which was completed in May 2010, is a unique facility that is different from other pavilions in City parks. The differences between this pavilion is that is located adjacent to the University of Minnesota's Cedar Creek Ecosystem and Scientific Reserve (CCESR) and has a fireplace that is located within the structure. These distinctions may require additional rules for use to insure compatibility with uses of CCESR and for the safety of the building. City Staff has checked with Anoka County and the City's of Forest Lake, Cambridge, Lino Lakes, Shoreview and Blaine to inquire if these municipalities have a similar facility as that at Cedar Creek. None of these Cities has a comparable facility however, the following are some regulations that they use for open fires: 1.) Only cut firewood burning is permitted. No open burning of lumber, pallets, leaves, cardboard, garbage etc., is allowed;

2.) Fire must be attended by adult and a means to extinguish must be readily available; and
3.) Fires not permitted on windy days or during a local fire ban in effect.
4.) Anoka County Parks and Recreation does not allow any outside wood to be brought into the park system. They will deliver two free bundles of wood for incentive when requested and additional bundles can be purchased.

Another area of consideration for rental of this facility is insurance. Due to the increased risk of fire damage and/or personal liability the Parks Commission may want to consider additional insurance requirements for this facility.

Davis did contact the City's insurance company and at this time they didn't have any additional concerns.

Dr. Jeff Corney has been contacted and asked for input in regards to fireplace wood and fireplace use. The City is waiting for his response.

Davis wanted the Commission to consider developing a rental policy for the use of the Cedar Creek Pavilion that would reflect the uniqueness of this facility.

Hoffman stated that Corney probably would want approval in the wood that is used at the location. Kretchmar asked about the wood that Anoka County donate to their fires. Hoffman said they don't chip their trees they bundle some of it for fires. Kretchmar said what about having a fire extinguisher on site. Davis said that would not be advisable due to vandalism.

Davis said possibly a fire duty officer could be called upon to check on the fires when the rental time is completed. Boyer said the concern would be a person renting it that would not be responsible. Kretchmar asked if there could be a fire extinguisher that could be checked out for the use of the park and then that could be returned for the deposit. Would there be any liability for the use of a fire extinguisher. Davis said there would be problems with the accumulation of the foam at the site. Boyer said they would lose their deposit if they used the fire extinguisher improperly. Boyer brought up having a pressurized water tank. Davis said his fear is what is the definition of extinguished. Some people think it is no flames, others think so that it would not rekindle on its own. Davis said they had discussed about fabricating a grill for the front of the fireplace to prevent unauthorized use of it. At this time anyone could go up there and start a fire, which would be unauthorized. Kretchmar asked what is wrong with him going and using the park at this time for a BBQ with his family. Davis said when the cross-country season starts people might use the fireplace for warming.

Boyer said his first concern when this was being developed is the ash borers and importing wood. They do plenty of tree trimming. Davis said the City staff does the trail trimming. Harvey thought the fireplace should be locked up. Davis said a couple recommendations he would make are that it should be approved DNR wood and the fabrication of a grate that can be locked on the fireplace or be lifted off the hinges should be installed. He also thinks that it might prevent unauthorized use of it. Kretchmar is wondering if the hearth is an opening. Davis said that they can work it out with the Fire Department to have the duty officer go up there to make sure that the fire is out.

Davis also brought up the discussion for the park hours should correspond to the seasons.

This time of year it is dark at seven o'clock, so the park should close at that time. It would make sense to have the parks open from sunrise to sunset or a half hour after the sunset.

The insurance company doesn't think that any additional insurance is needed for this park. Davis said if there were a fire up there, the liability insurance would more than cover the cost of replacement. Boyer said if there was a brush fire started, and it swept through the neighborhood that would be the only concern. He stated maybe the only people we should rent it to are a group; possibly look at non-profits or groups like that. If we just did that, we would cover the Scouts, the school groups, etc. But then we wouldn't be doing weddings or family reunions. For requests like that we would probably want to encourage them to use other facilities where there is water and electricity. Davis said you don't really worry too much about the Boy Scouts since they are always insured. Boyer said one group that would probably want to use it would be the Audubon group.

Kretchmar said so we would turn away a wedding. Davis said we would show them the upsides of other parks. Boyer said there are a number of facilities people can rent. Kretchmar said he wants to have dinner up there with his family and BBQ wieners. He doesn't like the idea of telling people that they can't use the park. Boyer said we use to have a park at Cedar Creek and we lost it because the kids went and had parties there. Harvey said could we have a supporting document that shows why we operate the park the way we do. Boyer said we could have an off duty officer at the site. Hoffman said for the Boy Scouts to have an off duty officer that would be too expensive. How would we designated on what groups could use it? It costs about $1500 to file for 501.c.3 status. Kretchmar wanted to know if a nature club wanted to use the pavilion and the fire pit, would that be allowed. Boyer said when this was done; it wasn't going to be a City recreational park. There would not be other equipment there. Davis said there is a fireplace that can be used under certain conditions, such as DNR approved wood, and there needs to be someone (fire duty officer) to determine the fire is out. Hoffman said if you just put the restrictions on the fireplace, anyone could use the park. If you put the right conditions on it, then it is ok to use it. We would use anyone to use it, but not anyone to use the fireplace. Davis said we couldn't limit the use of the facility.

Hoffman said if we aren't going to rent it out, then why did we build it. Once the fire is out of the equation then it is like any other park. Langmade said they would have to get a permit. Davis said under the permit the basic minimum, DNR approved wood and that we would have to get approval and make arrangements with the Fire Department Duty officer to make sure the is extinguished. Harvey said maybe the Fire Department would be final entity for approval. Boyer said there could also be considered no burning unless there is snow on the ground.

Boyer suggested why don't we let Davis take the information and bring back a recommendation. Hagenson said he liked Hoffman's suggestion on keeping this streamlined. Davis said this is a natural park and not a recreational type park. Boyer said the one house is very close. Hoffman said he would like Jeff to see it and also the Fire Chief to provide input.

Park Vandalism

The City's Parks have experienced vary degrees of vandalism in the past but a recent epidemic of these destructive activities has occurred at Booster West, Booster East, Whispering Oaks and John Anderson Parks. The following is a description by facility of

the damages incurred in the past three months:

1.) Booster West Park - the burning of a portable toilet, 3 attempted break-ins at the concession stand, the removal of approximately 10% of the shingles at Pavilion # 1, the destruction of the sign at the skate board park, spray paint and etched graffiti on play ground equipment and park structures and the constant turning over of trash cans at the skate park and Pavilion #1;
2.) Booster East Park - the destruction of a picnic table for use as a ramp, the constant and continual destruction of sections of the cedar rail fence along the entrance road and parking lot, pushing over portable toilets, etching graffiti on the outside of the rest room doors, turning over trash cans in Pavilion #4 and the tennis courts and breaking in the warming house;
3.) Whispering Oaks Park - tearing off the shingles on the roof of the picnic shelter and vehicles accessing park grounds;
4.) John Anderson Park - breaking one of the large windows at the warming house with a block that was removed from a retaining wall.

It is very disturbing to see a lot of this damage on a daily basis. They have done some things with the cameras to get extra surveillance. Boyer said why don't we look at bolting the picnic tables in. Davis said at this time the number of tables at different locations changes based on need.

Langmade asked if it would be too expensive to send a mailing to all the residents. Davis said in the next newsletter there would be an article in there, including what the costs of the damage are. Educating the public on what the cost of it is. Most of the people that use the parks are good kids; there is just one small group of kids that are responsible for the damages. Davis said he has spoken to the law enforcement for extra patrol.

Since the school term has resumed the major acts of vandalism have diminished with the exception of the fence damage and the continual trashing of the Pavilion #1 in Booster West Park. However, future incidents of vandalism are only postponed until the time school is dismissed for the summer.

In an effort to combat the vandalism we need to look at both the security and the facility issues involved with this problem. From a security standpoint the following items are some measures that may be considered:

1.) Increased law enforcement patrols;
2.) Changing hours of park use;
3.) Implementing a reward program for the arrest and conviction of vandals;
4.) Providing supervision of park users; and/or
5.) Publicize and educate the public regarding the extent of the problem.

Physical strategies to combat the vandalism problem could include the following:

1.) Installation of surveillance cameras;
2.) Installation of additional lighting;
3.) Restricting the use of park facilities;
4.) Relocation of the skate park either within the park to a more visible location or to another facility; and/or
5.) Retrofitting existing structures to make them less prone to vandalism.

The cost of surveillance cameras has decreased and the systems are much better. Davis

said the parks should be open sunrise to sunset. Harvey said what about outdoor ice arenas. Davis said at this time there isn't any rinks in any of the parks. The rink by the ice arena is not in a city park. Davis said we could also create a reward program. Langmade said about a year ago, there were kids from the trailer park that were piling the tables together and jumping over then. He just walked over there and the kids haven't been doing it this year.

Harvey said maybe we could put something on the City channel about trying to get information out and letting them know we are aware of the damage that is being done.

Davis said the Sheriff's Department has stopped and talked with the kids. Hagenson said would it be possibly to bolt down the tables and only have a limited number at a location. Davis said the tables are very heavy and sturdy.

Davis said the two pavilions that had the most damage are Whispering Oaks and Booster West. He would like to bring some cost estimates for metal roofs instead of shingles. If it is feasible, we could change the capitol improvements plan. We might want to look at the installation of more surveillance cameras. Some of them are wireless systems. The current system has an underground cable that runs to the Public Works building.

Staff recommends obtaining estimates for replacing the vandal damaged roofs at Whispering Oaks and Booster West Pavilions, obtaining costs on wireless surveillance systems to replace the system in Booster West Park and costs to add a system in Booster East Park, examine alternative locations for the skate park in Booster West, consideration of offering a rewards program for the arrest and conviction of park vandals and attempting to obtain additional law enforcement patrols of the parks.

Davis said we might want to consider lighting at some of the parks. Hoffman said if there were surveillance in there that would deter people. Davis said as a last resort, we might have to look at relocating the skate park in Booster West out by the road or removing it. That would be a last resort. He wishes it would be built by the road versus where it is. We might have to retrofit the current structures to be vandal proof. At this point we are going to have to re-roof or put a different covering on it.

Davis will bring back some costs for the next meeting. The Commission can take it from there and we can see if it can be worked into next years budget.

Other Business and Council Report

The schoolhouse is moving on October 21, 2010 during the day. Council approved the money for the project. It is currently located on the east side of East Bethel Boulevard and north of 221st. The City will not be putting the addition back on the schoolhouse. Boyer said they are hoping to have Boy Scouts restore it.

Davis said they are finishing the Booster West parking lot up. Hoffman said it looks good.

Davis said they have almost concluded all the negotiations for the easements, but there is one property owner that they are still trying to work out some issues with. The 40 acres at Bataan and 229th the property was titled in a trust and his parents are deceased, once it is changed over to his name the owner will sign the easement. He spoke to him on Monday and it should be done in the next couple of days.

Boyer said they also had their first meeting with Great River Energy. They didn't come prepared. They proposal didn't meet any of the requirements spelled out in the City ordinance once they had a real proposal to discuss. Hoffman said they came in with what they had the first time. The ordinance requires that they have alternatives and there weren't any. It was kind of disappointing. They learned a lot about what they are doing what they are doing, because they don't want to do an environmental impact statement. They also found out that they struck a deal with Athens Township. They wanted 38 feet on the ground and wanted to cut at 45-degree angle from that point of the ground. The University of Minnesota was not very impressed with them.

Hagenson asked why they don't go underground with the line. Davis said because it is extremely expensive about 4 times the cost of being above ground. Boyer said this doesn't even provide power to the residents of East Bethel. It would connect Cooper's Corner substation with the Linwood substation. Jefferson asked how do we benefit from it. Boyer said we really do not benefit from it. There might be potential benefits from it if there was a trail in the area. Hagenson said this would be beneficial to residents in Linwood. Boyer said we do have a lot of outages in the City of East Bethel too.

Adjourn **Hagenson made a motion to adjourn the October 13, 2010 meeting at 8:10 PM. Kretchmar seconded; all in favor, motion carries.**

Submitted by:
Jill Teetzel
Recording Secretary

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 7.0 B.1

* *

Agenda Item:
Park Commission Meeting Minutes for October 13, 2010

* *

Requested Action:
Information Only

* *

Background Information:
Information Only. These minutes are in draft form. They have not been approved by the Park Commission.

* *

Fiscal Impact:
None

* *

Recommendation(s):
Information Only

* *

City Council Action

Motion by:________________ Second by:________________

____

____

____

Vote Yes:_____ Vote No:_____

No Action Required:__X___

City of East Bethel
City Council
Agenda Information

* *
Date:
November 17, 2010
* *
Agenda Item Number:
Item 7.0 C.1
* *
Agenda Item:
Road Commission Meeting Minutes for October 12, 2010
* *
Requested Action:
Information Only
* *
Background Information:
Information Only. These minutes are in draft form. They have not been approved by the Road Commission.
* *
Fiscal Impact:
None
* *
Recommendation(s):
Information Only
* *
City Council Action

Motion by:________________ Second by:________________

____

____

____

Vote Yes:_____ Vote No:_____

No Action Required:__X___

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 8.0.E.1

* *

Agenda Item:
Code Enforcement Report

* *

Requested Action:
Informational Only

* *

Background Information:
Attached is a copy of the monthly report of code enforcement activities for properties posted as Unfit or Hazardous. The report provides a snapshot of the activity and status of various properties.

Attachments:
Code Enforcement Report

* *

Fiscal Impact:
None

* *

Recommendation(s):
Information Only

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:__X___

POSTED UNFIT/HAZARDOUS PROPERTIES 11/17/10

ADDRESS	ACTION INITIATED	LAST ACTION	STATUS	COMMENTS
607 Viking Blvd.	2/20/08 Posted unfit	5/28/09 court approved abatement	Closed	Property sold, septic system just replaced. City assessment has been paid.
22906 Jackson St.	3/19/08 Posted unfit	Demo permit issued 4/29/08, Haz. Excavation orders sent 6/29/09	Tracking	On 8/08/10 new owner contacted Building Official and stated that she has closed on the property, currently addressing issues with oak wilt and hopes to start constructing new principle structure within the next couple of months.
204 Dahlia Dr. NE	11/6/08 Posted unfit	4/26/10 Court ordered abatement.	08/10/10 Tracking	Owner has construction debris still stored on site working to remove. (progress slow)
Castle Towers Trailer Park	6/7/10 posted lot #106 , #149 and #122 as Hazardous/Unfit	6/8/10 Compliance letters for hazardous structures	Tracking	Owners obtained demolition permits on 10/08/10 to remove the structures located on lots #149, #106 and #122.
22568 Sandy Dr.	12/10/08 Hazardous/Unfit Structures	02/8/10 Final Compliance letter sent	Tracking	Structures are down, owner conducting site clean-up.

ADDRESS	ACTION INITIATED	LAST ACTION	STATUS	COMMENTS
221 Birch Rd.	Demo permit issued 6/4/10	Site inspection by Building Official conducted on 6/7/10	Closed	Wells Fargo has reimbursed the city for abatement and prosecution. (8/31/10)
191 Elm Rd. Garage	Posted structure (Garage) as unfit for human habitation on 9/22/09		Tracking	Owner was ordered not to reside in the garage and given 14 days to clean out the interior. Currently tracking. Have asked Anoka Co. Sheriff to cite individuals with trespass if staying on the property.
421 Cedar Rd	11/17/09 Sent letter to owner to abate nuisance	Issued demo permits 12/02/09	Closed	Demolition permits issued on 12/2/09. Contractor started razing the structure on 12/2/09. Work completed on 12/7/09.
330 Dogwood Rd.	12/1/09 Primary residence unfit to occupy, public health issue,	Letter sent to owner on 12/02/09	Tracking	Building department is watching the property; it is believed that the structure is occupied. Prior agreement with property owner was that structure shall not be occupied until permits for plumbing and sewer has been issued, inspections approved and finalized.

ADDRESS	ACTION INITIATED	LAST ACTION	STATUS	COMMENTS
19079 Greenbrook Dr.	01/05/10 Residential structure posted as Unfit to Occupy	Spoke with maintenance Co. for mortgage lender on 01/11/10	Closed	Property sold, outstanding assessments paid to city, building permits issued for repairs.
775 199th Ave NE.	02/17/10 Residential structure posted as Unfit to Occupy	02/22/10 Sent abatement letter to mortgage company	Tracking	Property currently for sale, assessments have been paid.
3424 Edmar Ln.	Sent Hazardous Bldg. Orders	9/17/10	Closed	Principle structure and garage have been removed, septic abandoned and well sealed.
22779 Sandy Dr.	Sent Hazardous Bldg. Orders	06/21/10	Tracking	Property currently listed for sale.

ADDRESS	ACTION INITIATED	LAST ACTION	STATUS	COMMENTS
265 Dahlia Rd.	Accessory structure post as Hazardous Bldg.	10/07/10	Closed	Building permit issued for reconstruction.
19926 Buchanan St.	Principle structure posted as unfit	09/21/10	Tracking	Homeowner removed from the house by Anoka county Adult protection services. Interior of home uninhabitable due to large amounts of garbage and animal feces. Building Official and Fire Chief currently working with Anoka county Social Services.
1203 189th Ave	10/0810 Principle structure posted as Hazardous Building	10/08/10	Tracking	Posted structure as hazardous building and property is considered a public nuisance.

INCIDENT TYPE CODES

100	Fire
200	Overpressure Rupture, Explosion, Overheat (No Ensuing Fire)
300	Rescue and Emergency Medical Service (EMS) Incidents
400	Hazardous Condition (No Fire)
500	Service Call
600	Good Intent Call
700	False Alarm and False Call
800	Severe Weather and Natural Disaster
900	Special Incident Type

Attachment #1

EAST BETHEL > View Station Info

I want to: - Select from the following -

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 1 2 3 4 5 6 7 8 9 All

Search (*Station Name*): Go

Station Number	Station Name	Address	City	State	Zip	Phone	Status
40	Day All Stations (Weekdays)	2751 Viking Blvd	East Bethel	MN	55011		Active
99	Duty Officer	2751 Viking Blvd.	East Bethel	MN	55011	763-367-7885	Active
88	Night and Weekend All Stations	2751 Viking Blvd.	East Bethel	MN	55011	763-367-7885	Active
11	Station 1 (Weekends)	2751 Viking Blvd	East Bethel	MN	55011		Active
12	Station 1 (Night)	2751 Viking Blvd	East Bethel	MN	55011		Active
21	Station 2 (Weekends)	2375 221st Avenue NE	East Bethel	MN	55011		Active
22	Station 2 (Night)	2735 221st Avenue NE	East Bethel	MN	55011		Active

Records 1-7 of 7

Goto Page: 1

Add a Station

ImageTrend Service Bridge v4.0

City of East Bethel
Fire Department
October 2010 Calls
Additional Information

Call Number	Incident Date	Reported Location	Actual Location	Type of Call
443	10/26/2010	Emerson Drive	Emerson Drive and Dogwood NE	Power Lines Down
441	10/26/2010	County 74	County 74 and County Road 22	Power Lines Down
431	10/22/2010	Leyte Street NE	Leyte Street NE and Viking Blvd	Unauthorized Burning
417	10/12/2010	County Road 22	County Road 22 and Wild Rice Drive	Motor Vehicle Accident
392	10/01/2010	Viking Blvd	Viking Blvd and Rendova	Motor Vehicle Accident

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 8.0 F.1

* *

Agenda Item:
Fire Department Staff Monthly Meeting Notes and Reports

* *

Requested Action:
Informational only

* *

Background Information:
November Fire Department Monthly Meeting Notes and October Reports are included for your review.

To aid in your understanding, staff has included as Attachment #1 and #2 the Incident Type Codes and Station Codes as they appear on the reports.

* *

Fiscal Impact:
None

* *

Recommendation(s):
Informational only.

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

East Bethel Fire Department

Monthly Staff Meeting

November 1, 2010

Call to Order:

Chief DuCharme called the meeting to order at 7:06 p.m. There were 28 Fire Fighters (including the day staff) and Council Liaison Steve Channer present for the meeting.

Meeting minutes from the September, October 4th, were posted previously.

House Burn:

Chief DuCharme expressed his appreciation to all firefighters that attended the scheduled house burn training event on Saturday, October 30th. He felt very confident that the training event was very successful.

Fire Prevention:

Chief DuCharme expressed his appreciation to all firefighters that participated in the fire prevention within the schools during the month of October. He was also pleased with the Open House event.

Image Trend:

Fire reports that are now being currently entered by the firefighters online are going well. Janet Haapoja will continue to monitor, answer questions and correct any errors found. Starting January 1, 2011, the paper copy of the report will not be needed to be filled out. Chief DuCharme has confidence that the firefighters will be fully trained and all reports will be online.

Officer Selection Process:

DuCharme announced that the Officer Selection Process is now open for applications. All applications must be submitted to the Fire Chief no later than November 15, 2010. Officers selected will begin their duties as of January 1, 2011.

Chief's Report:

Payroll needs to be signed before you leave tonight. Pay day is November 15, 2010.

Personal Cell Phone Usage:

DuCharme expressed his concern regarding personal cell phone usage. He explained that no personal cell phones will be allowed to be on emergency scenes. He instructed that the only cell phones or cameras to be used on emergency scenes will be fire department owned property.

Upcoming Events:

<u>The schedule for this month is:</u>

November 1	Meeting & Payroll Signing
November 2	Election Day
November 8	Free Monday
November 15	Maintenance Night
	Sweatshirt Order Due (Noon)
November 18	Town Hall Meeting
November 22	Training – Ham Lake
	Right to Know
November 25	Thanksgiving Day
November 29	Officer Meeting

<u>The schedule for December is:</u>

December 6	Meeting & Payroll Signing
December 11	Relief Association Dinner
	Kids Party
December 13	Training
December 18	Santa Claus Neighborhood Visits
December 20	Maintenance Night
December 25	Christmas Day
December 27	Training – Medical
	Officer Meeting
December 31	End of Quarter

Maintenance nights: Need to contact Ron within 24 hours of missing to receive assignment and that needs to be completed within 10 days.

Anniversaries:

Jeremy Shierts	8 Years
Mark Duchene	7 Years
Paul Karpinski	7 Years
Tammy Gimpl	6 Years

Congratulations, we are proud to have you as one of our team!

Training:

Chief DuCharme announced that the EMT course will start on January 5, 2011 for all fire fighters that would like to take the 110 hour course. No date has been set yet for the Firefighter II classes.

Reminders and Updates:

Contact the Fire Chief, in advance, if you cannot attend a meeting.

The construction of the bridge on Gopher Drive is now completed.

Always keep communication open between you and your officers. Let them know if you are going to be out of town for holidays.

A town hall meeting has been scheduled for November 18th. Chief DuCharme asked that the new Rescue 11 be presented for the public to see the new truck.

Chief 2 – Ardie Anderson

- Attended the Chief's Conference and found out information on many subjects including:

  The fire center is now gone.
  Tech schools are eliminating fire training classes.
  New blue book guideline for cities to share services.
  One grant was approved for a fire trailer in Minnesota.
  Previous disaster scenarios and communication loss.
  Using the media to your advantage on emergency scenes.
  No cell phone usage on emergency scenes.
  Two new modules for Image Trend will be released soon.
  State law change on firefighter background checks.
  New policy and health concern of contamination from bedbugs.

- Reminded all firefighters to contact the Fire Chief, in advance, if you cannot attend a meeting.

Chief 3 – Ron Stanley

- Chief Stanley announced that R11 is now in service and the new equipment, including the hurst tool, is now in place on the new truck. Stanley encourages all firefighters to observe and familiarize themselves on where all the new equipment is located on the truck.

Chief 4 – Dan Berry

- Chief Berry expressed his appreciation to all the firefighters that participated with Fire Prevention at the schools and the Open House Event.

Explorers:

- Tammy Gimpl has been active with the Explorers Program and teaching the youth about firefighting techniques. They worked on a fundraiser at the fire station open house event with taking orders and assembling address sign plates. They also attended a Halloween event at the Haunted Trails.

Inspector Report:

Inspector Duchene reported that 8 businesses were inspected in October. A new fire place located in a pavilion at Fish Lake Trails is open to the public. Extinguishment of fires within this pavilion were discussed.

Relief Association: Troy Lachinski

- No report.

New Public Education Requirement:

Chief DuCharme discussed his plan to put a new Public Education Policy in effect as of January 2011. This new policy would require firefighters to participate in a minimum of 8 hours of fire prevention per year of service. This will promote interest in public events and increase public relations.

New Business:

The city has a shortage of snow plow drivers for the upcoming winter season. Any firefighter interested in being on the available on-call list for plowing should contact Tammy Schutta at the City Hall.

Chief DuCharme discussed an option to change the staff meetings to a quarterly basis. He felt that this would be beneficial to be able to spend more days on training issues. This change will take effect as of 2011. More discussion will be held in future meetings regarding this change.

DuCharme showed his concern with pagers being repaired. He explained the problems with the Motorola pagers and discussed the quantities that are in for repair at this current time.

Old Business:

Mark Duchene held discussion regarding the appreciation dinner to be held on December 11, 2010. Meal options and choices were open for discussion among the group.

Council Report:

Steve Channer expressed his appreciation to all the firefighters that assisted with the Open House. He felt that the burning room demonstration was a great item to add to the event.

Adjournment – The meeting was adjourned at 8:45 p.m.

IMAGETREND FIRE BRIDGE

Fire Incident By Street Address
From 10/01/10 To 10/31/10
Report Printed On: 11/10/2010

Incident Number	Incident Date	Alarm Time	Location	Primary Station	Incident Type
EAST BETHEL					
449	10/31/2010	13:28	19455 4th ST NE	11	444 Power line down
448	10/30/2010	23:53	2120 Deerwood LN NE	11	321 EMS call, excluding vehicle accident with injury
447	10/28/2010	17:11	18801 Breezy Point DR NE	12	321 EMS call, excluding vehicle accident with injury
446	10/28/2010	16:39	18546 Everglade DR NE	40	321 EMS call, excluding vehicle accident with injury
445	10/27/2010	17:08	20531 7th ST NE	21	321 EMS call, excluding vehicle accident with injury
444	10/26/2010	21:14	21108 Polk ST NE	22	445 Arcing, shorted electrical equipment
443	10/26/2010	19:12	Emerson DR	99	444 Power line down
442	10/26/2010	17:35	1875 223rd LN NE	22	321 EMS call, excluding vehicle accident with injury
441	10/26/2010	16:42	County Road 74	88	611 Dispatched and cancelled en route
440	10/26/2010	14:55	20560 East Bethel BLVD NE	99	444 Power line down
439	10/26/2010	13:30	23603 Monroe ST NE	40	321 EMS call, excluding vehicle accident with injury
438	10/25/2010	16:19	4658 Viking BLVD NE	40	321 EMS call, excluding vehicle accident with injury
437	10/24/2010	07:21	1055 199th AVE NE	11	321 EMS call, excluding vehicle accident with injury
433	10/23/2010	21:54	4542 195th AVE N	11	321 EMS call, excluding vehicle accident with injury
436	10/23/2010	11:39	22609 London ST NE	21	611 Dispatched and cancelled en route
435	10/23/2010	05:48	21067 Taylor ST NE	21	321 EMS call, excluding vehicle accident with injury
434	10/23/2010	02:24	18164 65 HWY NE	11	321 EMS call, excluding vehicle accident with injury
432	10/22/2010	20:44	24355 65 HWY NE	22	321 EMS call, excluding vehicle accident with injury
431	10/22/2010	18:23	Leyte ST NE	99	561 Unauthorized burning
430	10/22/2010	09:48	18164 65 HWY NE	40	321 EMS call, excluding vehicle accident with injury
429	10/21/2010	23:46	24355 65 HWY NE	22	321 EMS call, excluding vehicle accident with injury
428	10/21/2010	20:43	816 197 AVE NE	-	321 EMS call, excluding vehicle accident with injury
427	10/20/2010	13:56	22147 Quincy ST NE	40	321 EMS call, excluding vehicle accident with injury
426	10/18/2010	13:29	21067 Taylor ST NE	40	321 EMS call, excluding vehicle accident with injury
425	10/18/2010	11:40	18357 Everglade DR NE	40	321 EMS call, excluding vehicle accident with injury
424	10/18/2010	06:48	20031 Polk ST NE	40	321 EMS call, excluding vehicle accident with injury
423	10/16/2010	22:35	19512 E Tri Oak CIR NE	12	321 EMS call, excluding vehicle accident with injury
422	10/16/2010	21:08	18164 65 HWY NE	99	412 Gas leak (natural gas or LPG)
421	10/15/2010	23:38	633 Lakeshore DR NE	12	321 EMS call, excluding vehicle accident with injury
420	10/15/2010	06:50	19162 Staples ST NE	40	321 EMS call, excluding vehicle accident with injury
419	10/13/2010	20:48	19681 Jamestown ST NE	99	611 Dispatched and cancelled en route
418	10/13/2010	14:18	20651 University AVE NE	40	143 Grass fire
417	10/12/2010	04:01	County Road 22	22	321 EMS call, excluding vehicle accident with injury
415	10/11/2010	19:27	20310 NE East Bethel BLVD NE	12	321 EMS call, excluding vehicle accident with injury
416	10/11/2010	19:00	19926 Buchanan ST NE	99	551 Assist police or other governmental agency
414	10/11/2010	14:07	22147 Quincy ST NE	40	611 Dispatched and cancelled en route
413	10/11/2010	10:02	245 Forest RD	40	611 Dispatched and cancelled en route
412	10/09/2010	21:32	18164 65 HWY	99	600 Good intent call, other
411	10/09/2010	21:19	18407 65 HWY NE	99	600 Good intent call, other
410	10/08/2010	21:31	18920 Vickers ST NE	12	321 EMS call, excluding vehicle accident with injury
409	10/07/2010	20:42	121 Bryant LN NE	99	600 Good intent call, other
408	10/07/2010	01:27	1662 208 LN NE	12	321 EMS call, excluding vehicle accident with injury
407	10/06/2010	23:39	4580 236 LN NE	22	611 Dispatched and cancelled en route
406	10/06/2010	14:56	414 Grove RD NE	40	321 EMS call, excluding vehicle accident with injury
405	10/05/2010	23:35	18448 Jackson ST NE	12	321 EMS call, excluding vehicle accident with injury
404	10/05/2010	20:46	19455 65 HWY NE	99	735 Alarm system sounded due to malfunction
403	10/05/2010	19:16	24355 65 HWY NE	99	561 Unauthorized burning
401	10/05/2010	14:51	22343 Sandy DR NE	40	321 EMS call, excluding vehicle accident with injury
402	10/05/2010	04:07	21067 Taylor ST NE	88	321 EMS call, excluding vehicle accident with injury
400	10/04/2010	22:24	4453 229th AVE NE	22	321 EMS call, excluding vehicle accident with injury
399	10/04/2010	21:16	3806 191st AVE NE	12	321 EMS call, excluding vehicle accident with injury
398	10/04/2010	19:11	23039 65 HWY NE	22	321 EMS call, excluding vehicle accident with injury
397	10/03/2010	09:12	21548 Tyler ST NE	21	321 EMS call, excluding vehicle accident with injury
396	10/03/2010	08:46	18164 65 HWY	40	321 EMS call, excluding vehicle accident with injury
395	10/02/2010	18:00	1821 Briarwood LN NE	99	600 Good intent call, other
394	10/02/2010	15:02	19480 Rochester ST NE	11	321 EMS call, excluding vehicle accident with injury
393	10/02/2010	13:36	19455 65 HWY NE	99	611 Dispatched and cancelled en route
392	10/01/2010	18:55	Viking BLVD NE	12	322 Motor vehicle accident with injuries
Total					**58**

Search Criteria	
Dates	From 10/01/2010 To 10/31/2010
Service	EAST BETHEL
Incident Address	All
Staff	All
Apparatus	All
Station	All
Alarm Type	All
Zone/District	All

Report Description

City of East Bethel

Subject: Fire Inspector Report

October 1 - 31, 2010

City of East Bethel Fire Inspection List		
Name	**Address**	**Comments**
Gopher State Ins	18447 Hwy 65 Suite B	No Violations
Bethel Marine	21155 Hwy 65	No Violations
Village Green North	18164 Hwy 65	Emergency lighting in storm shelter
Rodger's Rod & Custom	18689 Buchanan St.	Emergency lighting
MBA Styles	18423 Hwy 65 Suite A	No Violations
Black Bear Liquors	18453 Hwy 65 NE	No Violations
Central Trailer Sales	18861 Hwy 65 Suite C	No Violations
NOTE: First Inspections Unless Noted		

00 Businesses Inspected

Reported by: Mark Duchene
Fire Inspectors

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 8.0 G.1

* *

Agenda Item:
Schoolhouse Renovation Task Force

* *

Requested Action:
Staff seeks Council direction to form a Historical Schoolhouse Renovation Task Force

* *

Background Information:
Earlier this year, the City Council directed the relocation of a Historical schoolhouse. The schoolhouse was relocated to its new home at Booster East Park on October 21, 2010. There is thought that the schoolhouse could be used as a trail head and interpretive center.

The schoolhouse is in reasonable shape. The hardwood flooring is in good shape but will require refinishing. The windows are damaged or missing. Doors in the structure need to be replaced. The electrical is antiquated and will require upgrading to meet current code.

Because it was not part of the original schoolhouse structure, the 10’ x 14’ addition was removed prior to relocating it. As a result, the back of the schoolhouse needs to be framed and siding applied. The siding was salvage from the 10’ x 14’ addition and will be used.

It is recommended that City form a Historical Schoolhouse Renovation Task Force consisting of three to five volunteers. The Task Force would be responsible for determining the next steps for the renovation of the schoolhouse, establishing a renovation budget and draft a timeline for the project.

* *

Fiscal Impact:
Unknown at this time

* *

Recommendation(s):
Staff seeks Council direction to begin the process of seeking volunteers to serve on a Historical Schoolhouse Renovation Task Force.

* *

City Council Action

Motion by:_____ Second by:_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 8.0 G.2

* *

Agenda Item:
Appraisal Services – Easement Acquisition

* *

Requested Action:
Consider authorizing award of appraisal services agreement for easement acquisition

* *

Background Information:
Fourteen different sites will be required to accommodate the City's water and sewer utility infrastructure construction. The City's consulting engineer has identified these parcels and they are shown with Attachment 1.

Prior to any offer/negotiation the City is required to obtain an appraisal for the properties involved. Staff developed an RFP for these services and has solicited quotes from several appraisal service firms. A copy of the RFP and responses to the RFP are attached for your review.

In summary the following quotes were received:

Nagell Appraisal and Consulting	$5,600
Lake State Realty Services, Inc.	$10,500

Attachment(s):
1. RFP for Appraisal Services
2. Response from Nagell Appraisal and Consulting
3. Response from Lake State Realty Services, Inc.
4. Proposal Summary from City Engineer

* *

Fiscal Impact:
The cost of these services are reimbursable from ACHRA.

* *

Recommendation(s):
Staff recommends the appraisal services agreement be awarded to Nagell Appraisal and Consulting in an amount not to exceed $5,600 with all work and reports completed no later than November 24, 2010.

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

Hakanson Anderson

Main Office:
3601 Thurston Avenue, Anoka, MN 55303
Phone: 763/427-5860 Fax: 763/427-0520
www.haa-inc.com

REQUEST FOR APPRAISAL PROPOSALS

To: **Prospective Appraisers**

From: **Craig Jochum, City Engineer**

Date: **November 1, 2010**

Re: **Proposal to Provide Appraisal Services for Property Acquisition**

The City of East Bethel, Minnesota is requesting proposals to furnish appraisals for temporary and permanent easements on 14 separate parcels with 10 separate property owners. The easements will be used for the construction of utility infrastructure consisting mainly of municipal trunk water and sewer lines. The City is requesting the appraisals in the form of an "Uncomplicated Report". The appraisals will be used for negotiating purposes.

Deadlines:

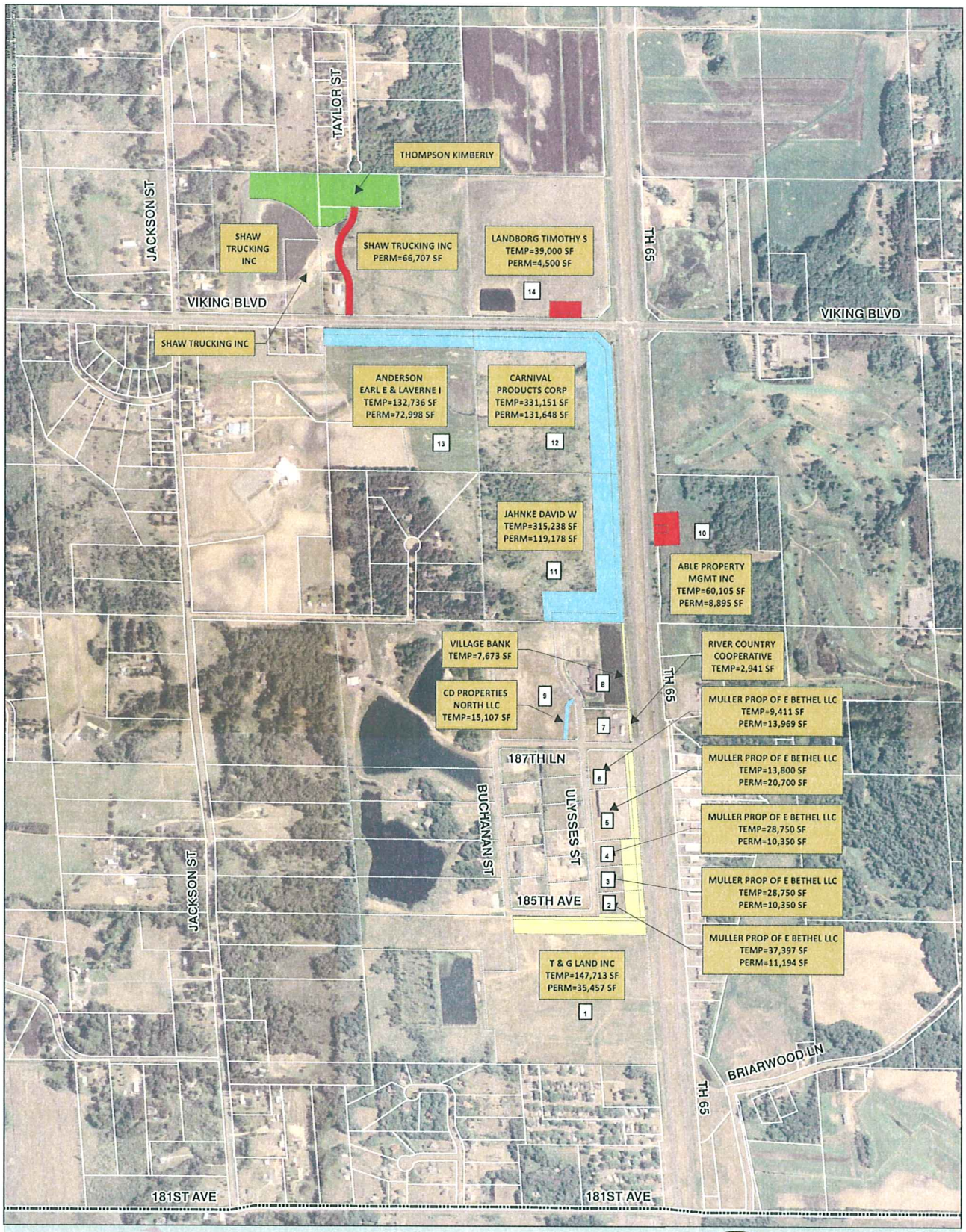
- Proposals are due back to the City Engineer, Craig Jochum at craigj@haa-inc.com by 5 pm Monday, November 8, 2010.
- The East Bethel City Council will award the appraisal contract at their November 17, 2010 meeting.
- Notice to Proceed will be provided on November 18, 2010 to the selected appraiser.
- Appraisals must be completed on or before 1 p.m. November 24, 2010.

The 14 parcels are summarized on the attached Table 1 and shown on Exhibit 1.

The proposals can be provided in simple letter format. The cost of the appraisals must be provided in the proposal along with a statement that your firm is fully aware of the appraisal completion date. **The appraisals must be completed on or before 1 p.m. November 24, 2010.** It is not anticipated that these acquisitions will need to proceed through the condemnation process. However, please provide your additional fee and timeline that would be required to complete a "Summary Report" appraisal for each parcel, which could be used in a condemnation or court trial process. Also provide your rates for testifying at a condemnation hearing or court trial.

A recommendation to the City Council for selecting one proposal will be made by the City staff. Any submittal information or data that is considered proprietary cannot be protected. If you have any questions regarding this request please call me at (763) 427-5860 or contact me by email at the above referenced address.

ATTACH #1



East City of Bethel

LEGEND

- Proposed MCES Easement
- Proposed City Easement
- Proposed MCES & City Easement
- Proposed City Property Acquisition
- 1 Parcel Number

Preserving the Future
Partnership with Purpose

FEASIBILITY STUDY

PHASE I PROJECT 1 EASEMENTS

EXHIBIT 1

October, 2010

BOLTON & MENK
DESIGNING FOR A BETTER TOMORROW
Engineers & Surveyors

TABLE 1
PARCEL SUMMARY

PARCEL NUMBER	OWNER	PIN NUMBER	TEMPORARY EASEMENT (SQ. FT.)	PERMANENT EASEMENT (SQ. FT.)
1	T & G LAND INC	32-33-23-31-0002	147,713	35,457
2	MULLER PROP OF E BETHEL LLC	32-33-23-24-0016	37,397	11,194
3	MULLER PROP OF E BETHEL LLC	32-33-23-24-0015	28,750	10,350
4	MULLER PROP OF E BETHEL LLC	32-33-23-24-0014	28,750	10,350
5	MULLER PROP OF E BETHEL LLC	32-33-23-24-0017	13,800	20,700
6	MULLER PROP OF E BETHEL LLC	32-33-23-21-0005	9,411	13,969
7	RIVER COUNTRY COOPERATIVE	32-33-23-21-0006	2,941	
8	VILLAGE BANK	32-33-23-21-0008	7,673	
9	CD PROPERTIES NORTH LLC	32-33-23-21-0009	15,107	
10	ABLE PROPERTY MGMT INC	29-33-23-43-0001	60,105	8,895
11	JAHNKE DAVID W	29-33-23-34-0001	315,238	119,178
12	CARNIVAL PRODUCTS CORP	29-33-23-31-0001	331,151	131,648
13	ANDERSON EARL E & LAVERNE I	29-33-23-32-0004	132,736	72,998
14	LANDBORG TIMOTHY S	29-33-23-24-0003	39,000	4,500

NAGELL APPRAISAL & CONSULTING
7515 Wayzata Blvd. #115
Minneapolis, MN 55426
Established in 1968

Minneapolis: 952-544-8966
St. Paul 651-209-6159
Central Fax 952-544-8969

City of East Bethel
Attn: Craig Jochum, City Engineer
3601 Thurston Avenue, Anoka, MN 55303

November 8, 2010

RE: Appraisal of 14 separate parcels (real estate only)
TH 65 and Viking Blvd., East Bethel, MN

Dear Mr. Jochum:

Thank you for your interest in obtaining appraisal services regarding the property above. Per our conversation, you indicated an appraisal report with the following research and analysis is needed.

Report Use: The report use is for eminent domain purposes for uncomplicated strip acquisitions. Based on a project map it does not appear that any building value(s) will be impacted, therefore, only the land will be appraised.

Value Type: Current before and after market values as it relates to a partial strip acquisition for utilities purposes by the city reflecting highest and best use per Uniform Standards of Professional Appraisal Practice will be provided.

Property Description: B-3 Highway Business and CC City Center District.
Contact for access: Per city, appraiser does not need to contact owners.

Scope of Report: (1) Inspection of the acquisition area and view the neighborhood. (2) Report the physical and/or economic factors that could affect the property. (3) Limited research, collection, verification, analysis and viewing of pertinent market data will be conducted. **The appropriate approach to value will be applied.** (4) Where appropriate, comparables will be adjusted on a grid. (5) Report findings and conclusions.

Report Format: A **Restricted Use Report** (concise narrative format) will be used. It has short statements of the data, analysis and conclusions. Appropriate photos, maps and exhibits are included. *Two hard copies of report provided.*

Fee: The fee is **$400 each, 14 x $400 = $5,600.** Client named above is responsible for payment. After appraisal submittal any meetings, revisions/updates/upgrades to a summary or self contained report, hearing preparation and/or testifying would be extra and billed at $100 per hour.

Due Date: PDF reports can be completed by 1:00 pm **11-24-10** if signed confirmation is prompt.

Information needed by the appraiser: Project/parcel information.

Our company has 11 employees and has been in business since 1968 and has sufficient knowledge, experience, education, contacts and resources to competently complete this assignment. Neither the employment to make the appraisal, nor the compensation for it, is contingent upon the appraised value of the property. If you agree to the above terms, please sign below and return by fax or mail. If you have any additional questions, please do not hesitate to contact me.

Sincerely,

William R. Waytas, SRA, CRP
Certified General 4000813, MN

Signature_____

Date_____

Lake State Realty Services, Inc.
2140 Otter Lake Drive White Bear Lake, MN 55110 651-653-0788 Fax 651-653-1381
E-Mail lakestate@goldengate.net

November 8, 2010

Mr. Craig Jochum, City Engineer - City of East Bethel
Hakanson Anderson Assoc., Inc.
3601 Thurston Ave.
Anoka, MN 55303

RE: Proposal for Appraisal Services - Municipal Trunk Water and Sewer Line Project affecting 14 parcels (10 property owners)

Dear Mr. Jochum:

Lake State Realty Services, Inc. is pleased to present this appraisal services proposal for your consideration. This proposal was based on information from your email and the Request for Proposals dated November 1, 2010 for municipal trunk water and sewer line project affecting 14 parcels (10 property owners). A list of the affected parcels and property owners was additionally supplied and was relied upon for this price proposal.

Lake State Realty Services, Inc. proposes to furnish two original copies of the Uncomplicated Acquisition Format Appraisal Reports. The appraisals will indicate the value attributable to the damages of acquisition and will be compliant with applicable state requirements. Our estimated cost to complete the appraisals will not exceed $750 per parcel, or $10,500 total.

Lake State Realty Services, Inc. has significant experience in appraisals of land for utility infrastructure, including land within the City of East Bethel. This includes a significant amount of work completed on behalf of the Met Council Environmental Services (MCES). Lake State Realty Services, Inc. has had Master Contracts through MCES for about the last ten years. Attached is professional qualifications of the lead appraisers (Julie Jeffrey Schwartz and Paul G. Schwartz) as well as some company information detailing past similar projects.

We are aware of the completion date for these appraisals, and we should be able to make the due date. Our quoted price considers the time frame and complexities expected of the assignment.

Should updated Summary Report Appraisals be needed for the condemnation process, an additional $1,000 per parcel (owner) is the price for the updated report(s). Our expert witness testimony fee is $225/hour (four-hour minimum per day), and we have had a high success rate with hearing and trial outcomes based on our testimony. This includes significant success for MCES-condemned parcels.

If selected, we look forward to working with you and the City of East Bethel on a successful acquisition project.

Respectfully submitted,

Julie Jeffrey-Schwartz, President, Lake State Realty Services, Inc.
Certified General Appraiser MN #4002423

encl: company information and professional qualifications

Hakanson Anderson

Main Office:
3601 Thurston Avenue, Anoka, MN 55303
Phone: 763/427-5860 Fax: 763/427-0520
www.haa-inc.com

35 YEARS

MEMORANDUM

TO: **Douglas Sell, City Administrator**

FROM: **Craig Jochum, City Engineer**

DATE: **November 8, 2010**

RE: **Appraisal Services for Property Acquisition**

As requested we have obtained proposals for property appraisal services that will be used to negotiate the purchase of temporary and permanent easements on 14 separate parcels of land that are proposed to be used for future municipal utilities. The 14 parcels are shown on the attached Exhibit 1.

The appraisals will be provided in the form of an "Uncomplicated Report". The appraisals will be used for negotiating purposes. A total of two proposals were received. Copies of the two proposals are attached. The cost quoted in each proposal to complete the Uncomplicated Report for the 14 parcels for each appraisal firm is as follows:

Nagell Appraisal & Consulting	$5,600
Lake State Realty Services, Inc.	$10,500

If you have any questions or need additional information please call me at (763) 852-0485.

ATTACH #4

City of East Bethel
City Council
Agenda Information

* *

Date:
November 17, 2010

* *

Agenda Item Number:
Item 8.0 G.3

* *

Agenda Item:
Employment Agreements

* *

Requested Action:
Consider Employment Agreements

* *

Background Information:
A proposed Employment Agreement between the City and the City Administrator has been included with this item. This agreement reduces to writing the basic verbal understanding between the parties. The Agreement provides for a wage freeze for the duration of the agreement at the 2009 level. Contributions for insurance and their treatment are consistent with the amounts provided to other employees that will decrease for 2011. Vacation, sick leave and other time off are consistent with practices and policies for other management/supervisory employees.

The second Agreement provides for all City Employees not currently covered by a labor agreement. This would include all managerial, supervisory and confidential employees. The provisions of this agreement following current practices and polices and is now reduced to writing. This type of agreement is common in a large number of cities, counties and particularly school districts for managerial employees.

The City Attorney reviewed the proposed agreements and made minor modifications. The Agreements before you have incorporated these suggestions.

Attachment(s):

1. Employment Agreement – City and City Administrator
2. Employment Agreement – City and City Employees

* *

Fiscal Impact:
All financial implications and provisions within these agreements are provided for in the City's budget for 2011.

* *

Recommendation(s):
Staff is asking Council to consider approving these Employment Agreements.

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

EMPLOYMENT AGREEMENT

This Agreement made and entered into this 17th day of November, 2010 by and between the City of East Bethel, Minnesota (hereinafter the "City") and Douglas Sell, hereinafter the "City Administrator."

WHEREAS, the City Council expressed an interest in and did employ Douglas Sell as the City Administrator in accordance with City Code effective January, 2004; and

WHEREAS, Douglas Sell accepted the appointment to the position of City Administrator of the City of East Bethel; and

WHEREAS, during the course of the initial term of his employment, the City Administrator has had a positive impact on the community, its operations and activities through his application of knowledge, skills and abilities as they relate to municipal and enterprise functions; and

WHEREAS, these actions have resulted in many enhanced or significantly positive outcomes to include but not limited to an upgraded bond rating, recognized accounting and financial reporting, detailed budgets, transparent five year capital project programs, increased citizen involvement, enhanced communications, vastly improved technology, advanced grant identification and application processes and countless other improvements that streamline operations, incorporate required legal and administrative processes and implemented business practices savings thousands of dollars and/or increasing grant funds flowing to the City; and

WHEREAS, it is understood and agreed by the City that during the term of this agreement his technical, managerial and leadership skills will be required to ensure a smooth process for any number of projects to include but not limited to capital improvement projects, debt management and municipal operations.

NOW, THEREFORE, the City and City Administrator enter into this Agreement as follows.

1. Duties. The duties of the City Administrator shall be in accordance with City Code, Section 2-265 of the City of East Bethel as follows:

The City Administrator shall be the Chief Executive Officer for the City and the head of the administrative branch of the City government. The City Administrator shall be responsible to the City Council for the proper administration of all affairs of the city and to that end he shall have power and shall be required to:

(a) Recommend for appointment and, when necessary for the good of the service, recommend for removal all officers and employees of the City;

(b) Prepare the budget annually and submit it to the council and be responsible for its administration after adoption;

(c) Prepare and submit to the Council as of the end of the fiscal year a complete report with audit opinion on the finances of the City for the preceding year;

(d) Keep the Council advised of the future needs of the City and make such recommendations as may be advantageous to the City;

(e) Perform such other duties as may be prescribed by the City Code, Section 2-261 through Section 2-269 of him by the council, not inconsistent with this ordinance or state statute. The City Administrator shall not be required and shall not be held responsible for failing to take actions that are contrary to law, unethical or immoral.

2. Term. The term of the City Administrator shall be from and after the date of adoption by the City Council through and including January 31, 2013 subject to the following:

(a) The city administrator may be removed from office only by a 75% majority of the full City Council for "Just Cause." "Just Cause," for the purposes of this agreement, is limited to and defined as misappropriation or embezzlement of city assets or funds as demonstrated by a conviction in a court of jurisdiction; an intentional breach of the provisions of this agreement that causes harm to the city as found by a court of jurisdiction; or, his incapacity to serve by virtue of mental illness as determined by a mental health professional. Termination may not be a result of any reorganization by the City that effectively eliminates the position of City Administrator. The City Administrator is not subject to lay-off, reduction in force (RIF) reduction in grade (RIG), reduction in pay or furlough from the City during the term of this Agreement.

(b) Any discharge under this provision must be preceded with written notice of the charges and allegations to the City Administrator at least thirty days in advance of any action to terminate by the City Council for Just Cause. Such notice containing charges and allegations must be provided to the City Administrator along with the written notice of his right to an appeal hearing before the City Council. Any request for a hearing must be made within ten working days of receipt of said written charges and allegations. The hearing must be no sooner than 30 calendar days or no later than 90 calendar days after a request for such a hearing. The hearing may be opened or closed as determined by the City Administrator pursuant to Minnesota Statutes.

(c) Should Employee be terminated by the City Council without "Just Cause," the City hereby agrees to retain and maintain the City Administrator on the city's payroll with full pay and benefits as provided for in this Agreement until the end of the term of the Agreement.

3. Salary. The City agrees to pay City Administrator for his services rendered an amount identified in the City's Annual Pay Plan that is fixed at the 2009 rate for the term of this agreement. In addition, the City will pay to the City Administrator an amount equal to the amount contributed to a cafeteria plan for all other employees and shall treat this sum as additional Special Pay as per the letter offer of employment.

4. Dues, Subscriptions and Professional Associations and Expenses. The City agrees to pay for membership expenses of the City Administrator in the International City Manager Association and for such other professional dues and subscriptions as may be approved by the City Council.

5. Health and Dental Insurance. The City will offer no health and dental insurance to or on behalf of the City Administrator.

6. Life, Short and Long Term Disability Insurance. The City shall provide to the City Administrator and pay for a basic $50,000 Life Insurance, Short Term Disability Insurance and Long Term Disability Insurance Policies in the same manner as provided to any other employee of the City.

7. Pension Plan. The City is a municipality defined in Minnesota State Statutes, Chapter 475, as a Public Employee Retirement Association (PERA) participating municipality. As such, the City Administrator is permitted and hereby elects to participate in the PERA retirement program the same as any other City employee. The City Administrator shall be awarded $6,500.00 annually towards an IRS approved 457 Program (Deferred Compensation) in addition to any other pension contributions.

8. Vacation and Sick Leave. Employee shall accrue 1.67 vacation days per month. Sick leave shall accrue at a rate of one day per month. The City Administrator shall be compensated, upon separation from service, for all earned but unused vacation leave to a maximum of 240 hours. The City Administrator shall be compensated, upon separation from service, for one-half of all earned but unused sick leave to a maximum of 320 hours. This provision shall not limit the accrual and use of vacation and sick leave in excess of the amounts to be compensated.

9. Other Compensated Time-Off/Work Week. The City Administrator shall be afforded time off in accordance with provisions of the City's Personnel Policies as any other employee. Such absences shall include but not be limited to funeral leave, FMLA and leaves of absence.

It is understood that the time required to perform the duties required of this position will exceed 40 hours per week. The City Administrator will be allowed to adjust his schedule accordingly.

10. Expenses. The City recognizes certain expenses of a non-personal and job associated nature will be incurred by Employee and hereby agrees to reimburse Employee upon submission of an expense voucher, including any required receipts.

11. Voluntary Resignation. In the event the City Administrator voluntarily resigns his position with the City, he shall give the City at least sixty (60) days advance notice. Provisions of Article 8 shall apply to any separation payment(s).

12. Litigation/Attorney's Fees. The City shall be responsible for all costs of mediation and litigation should a dispute arise regarding any provision of this agreement. The forum for any dispute shall be by mediation and, if no resolution, District Court.

13. Indemnification. The City shall defend, save harmless and indemnify City Administrator against any tort, professional liability claim, or damage or other legal action, whether groundless or otherwise arising out of an alleged act or omission occurring in the performance of City Administrator's duties. The City may compromise and settle, without the consent of the City Administrator, if the City feels it is in their best interest to settle the matter. In any event, the City will pay any settlement or judgment and all costs for legal representation.

14. Bonding. The City shall pay the cost of any fidelity or other bonds required of the City Administrator under any law or circumstance.

This Agreement shall become effective November 17, 2010. It is the understanding of the parties hereto that this Agreement is the only agreement between the parties and that all previous agreements, verbal or written, are incorporated herein. Where this agreement may deviate from ordinance or statute, this agreement is the only document to be considered when evaluating and/or adjudicating a claim by either party. The parties agree that no other agreements, oral or written, otherwise exist. Any modifications to this Agreement must be in writing and executed by both parties. Any section of this Agreement that may be determined to be in violation of statute will not invalidate any other section of this Agreement. The remaining sections of the Agreement will remain in force.

CITY OF EAST BETHEL

Date:_____ By:_____
Greg Hunter, Mayor

Date:_____ By:_____
Douglas Sell, City Administrator

EMPLOYMENT AGREEMENT

This Agreement made and entered into this _____ day of November, 2010 by and between the City of East Bethel, Minnesota (hereinafter the "City") and City Employees as defined below, hereinafter the "City Employees."

WHEREAS, the City Council expressed an interest in and did employ City Employees in accordance with City Code; and

WHEREAS, City Employees have been appointed to the positions defined below for the City of East Bethel.

NOW, THEREFORE, the City and City Employees enter into this Agreement as follows.

1. City Employees means all those employees hired into positions not covered by the Teamster's Local 320 Labor Agreement or other Agreements including all managerial, supervisory and confidential employees as follows:

a. Assistant City Administrator/Human Resource Director or any position subsequently defined that essentially performs the duties of this position; and
b. Director of Fiscal and Support Services or any position subsequently defined that essentially performs the duties of this position; and
c. Public Works Manager or any position subsequently defined that essentially performs the duties of this position; and
d. Fire Chief or any position subsequently defined that essentially performs the duties of this position; and
e. City Planner or any position subsequently defined that essentially performs the duties of this position; and
f. Chief Building Official/Code Enforcement Officer or any position subsequently defined that essentially performs the duties of this position.
g. Deputy City Clerk or any position subsequently defined that essentially performs the duties of this position.

2. Duties. The duties of these City Employees shall be in accordance with approved position descriptions for each position noted above. City Employees shall not be required and shall not be held responsible for failing to take actions that are contrary to law, unethical or immoral.

3. Term. The term of City Employees shall be from and after the date of adoption by the City Council and continuing until December 31, 2013 or until the employment relationship is terminated pursuant to this agreement subject to the following:

(a) City Employees may be removed from office only by a majority of the full city council for "Just Cause" after 30 calendar day's written notice. "Just Cause," for the purposes of this agreement, is limited to and defined as misappropriation or embezzlement of city assets or funds as demonstrated by a conviction in a court of

jurisdiction; an intentional breach of the provisions of this agreement that causes harm to the city as found by a court of jurisdiction; an incapacity to serve by virtue of mental illness as determined by a mental health professional; or termination based on progressive discipline as provided for in the City's Personnel Policies. Termination may not be a result of any reorganization by the City that effectively eliminates these positions.

(b) If any City Employee has served for more than one year, any discharge under this provision must be preceded with written notice of the charges and allegations to the City Employee at least ten days in advance of any action to terminate by the City Council. Such notice containing charges and allegations must be provided to the City Employee along with the written notice of his/her right to an appeal hearing before the City Council. Any request for a hearing must be made within ten working days of receipt of said written charges and allegations. The hearing must be held no sooner that 30 calendar days and no later than 60 calendar days after a request for such a hearing. The hearing may be opened or closed as determined by the City Employee pursuant to Minnesota Statutes. Any Veteran that is a City Employee may also file for a Veteran's Preference determination in accordance Minnesota Statutes.

(c) Should Employee be terminated by the City Council without Just Cause, the City hereby agrees to pay any City Employee and amount equal to six months of salary as a severance payment in addition to any other payments he/she may be entitled to at termination.

(d) City Employees shall devote their full and best efforts to the business and affairs of the City. Except as hereinafter expressly provided, City Employees shall be permitted to accept other part-time employment during the term of this agreement following a written request from the Employee and written permission by the City.

4. Salary. The City agrees to pay City Employees for their services an amount identified in the City's Annual Pay Plan that is fixed at the 2011 rate for the period beginning January 1, 2011 and adjusted annually based on the rate increase calculated on any increase in the U.S. Department of Labor, Bureau of Labor Statistics, Series CUUR0000SA0, U.S. City Average Consumer Price Index – All Urban Consumers table for the twelve (12) month period beginning July 1 and ending June 30 each year of the Agreement. Any COLA increase negotiated for periods subsequent to 2011 shall be subject to a cap of 3.00%.

5. Health and Dental Insurance. The City will offer health and dental insurance to City Employees in the same manner as other employees covered by other labor agreements.

6. Life, Short and Long Term Disability Insurance. The City shall provide to City Employees and pay for a basic $50,000 Life Insurance, Short Term Disability Insurance and Long Term Disability Insurance Policies in the same manner as other employees covered by other labor agreements.

7. Pension Plan. The City is a municipality defined in Minnesota State Statutes, Chapter 475, as a Public Employee Retirement Association (PERA) participating

municipality. As such, City Employees are required to participate in the PERA retirement. City Employees shall be awarded a match, per pay period, not to exceed 3% of gross salary or $2,000, whichever is less, annually towards an IRS approved 457 Program (Deferred Compensation) in addition to any other pension contributions.

8. Vacation and Sick Leave. City Employees shall accrue vacation days per the following schedule:

One hundred and four (104) hours for each of one (1) through two (2) years of service.

One hundred and twenty (120) hours for each of three (3) through five (5) years of service.

One hundred and sixty (160) hours for the sixth (6) and each succeeding year of service.

Sick leave shall accrue at a rate of 8 hours per month. City Employees shall be compensated, upon separation from service, for all earned but unused vacation leave to a maximum of 240 hours. City Employees shall be compensated, upon separation from service, for one-half of all earned but unused sick leave to a maximum of 320 hours.

9. Other Compensated Time-Off. City Employees shall be afforded time off in accordance with provisions of the City's Personnel Policies as any other employee. Such absences shall include but not be limited to funeral leave, FMLA and leaves of absence.

10. Voluntary Resignation. In the event the City Employee voluntarily resigns his/her position with the City, he/she shall give the City at least thirty (30) days advance notice. Provisions of Article 8 shall apply to any separation payment(s).

11. Indemnification. The City shall defend, save harmless and indemnify City Employees against any tort, professional liability claim, or damage or other legal action, whether groundless or otherwise arising out of an alleged act or omission occurring in the performance of City Employee's duties. The City may compromise and settle, without the consent of City Employees, if the City feels it is in their best interest to settle the matter. In any event, the City will pay any settlement or judgment and all costs for legal representation.

This Agreement shall become effective _____, 2010. It is the understanding of the parties hereto that this Agreement is the only agreement between the parties and that all previous agreements, verbal or written, are incorporated herein. Where this agreement may deviate from ordinance or statute, this agreement is the only document to be considered when evaluating and/or adjudicating a claim by either party. The parties agree that no other agreements, oral or written, otherwise exist.

CITY OF EAST BETHEL

Date:_____ By:_____

Greg Hunter, Mayor

Date:_____

By:_____
Assistant City Administrator/Human Resource Director

By:_____
Director of Fiscal and Support Services

By:_____
Public Works Manager

By:_____
Fire Chief

By:_____
City Planner

By:_____
Chief Building Official/Code Enforcement Officer

By:_____
Deputy City Clerk