

RESOLUTION

VILLAGE OF GILBERTS

Resolution authorizing a Administrative Service Agreement between the Village of Gilberts and Municap, Inc. with respect to SSA 15

Be it Resolved by the President and Board of Trustees of the Village of Gilberts, Kane County, Illinois that:

Section 1:

The Village of Gilberts hereby authorizes the Village President and Village Clerk to execute an Service Agreement with Municap, Inc. to provide administrative services, and such documents as are necessary and convenient to effectuate the service agreement as here by attached hereto and made a part hereof as Exhibit A as approved.

Section 2:

This resolution shall be in full force and in effect from and after its passage and approval pursuant to law.

Passed this 14<sup>th</sup> day of November, 2017 by a roll call vote as follows:

	<u>Ayes</u>	<u>Nays</u>	<u>Absent</u>	<u>Abstain</u>
Trustee Elissa Kojzarek	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Dan Corbett	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Nancy Farrell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Louis Hacker	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Jeanne Allen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Guy Zambetti	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Rick Zirk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPROVED THIS 14<sup>th</sup> DAY OF Nov., 2017

[Signature]  
Village President, Rick Zirk



ATTEST:

[Signature]  
Village Clerk, Debra Meadows

**AGREEMENT FOR  
ADMINISTRATIVE SERVICES**

THIS AGREEMENT is made as of the last date shown below by and between MuniCap, Inc. (the "Administrator"), and the Village of Gilberts, Illinois (the "Village").

WHEREAS, the Village issued the Special Service Area Number Fifteen Special Tax Refunding Bonds, Series 2014 (Gilberts Town Center Project) (the "Series 2014 Refunding Bonds") for the Special Service Area Number Fifteen ("Special Service Area Number Fifteen") created by the Village; and

WHEREAS, the Village will require specialized services related to the administration of the Special Service Area Number Fifteen (the "Special Service Area"), as more fully set forth in this Agreement; and

WHEREAS, Administrator has expertise to provide those specialized services; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for good and valuable consideration, the Administrator and the Village agree as follows:

1. Following signatures by both parties, this Agreement shall become effective on the date this Agreement is signed by both parties. Capitalized terms not otherwise defined herein shall have the meaning given thereto in the respective Indentures or other respective Special Service Area related documents.

2. In regards to the work and services to be performed,

A. Administrator shall provide financial and administrative services to the Village related to the Special Service Area as described in Exhibit A, "Administrator's Scope of Services," which is attached and incorporated by reference.

B. Administrator shall supply all tools and means necessary to perform those services and produce those work products described in Exhibit A.

C. As part of the work and services to be performed, Administrator shall furnish intermediate reports to the Village from time to time, when requested, in such form and number as may be required by the Village, and shall make such final reports as may be required by the Village concerning the work and services performed.

D. Should any errors caused by Administrator be found in any services or work products, Administrator will correct those errors, and if the errors are in final services or products, make such corrections at no additional charge, by revising the services and work products as necessary to eliminate the errors.

E. The work and services shall be performed personally by Administrator, and no other person or corporation shall be engaged for the work or services by Administrator, except upon the written approval of the Village, provided, however, that this provision shall not

apply to arbitrage rebate calculations, secretarial, clerical, and similar incidental services needed by Administrator.

3. Administrator's compensation for these services shall be as provided for in Exhibit B attached and incorporated by reference.

4. The Village shall provide access to all documents reasonably necessary to the performance of Administrator's duties under this Agreement. All such documents shall remain the property of the Village. Except as may be necessary for performance of this Agreement, and to the extent not generally known as available to the public, the Administrator shall not use or disclose information concerning the Village without prior written consent of the Village.

5. Administrator may not disclose information relating to the work and services performed under this Agreement to any person not entitled to receive it. Notwithstanding the foregoing, Village shall have full access to all information relating to work and services performed by Administrator under this Agreement.

6. In performance of work and services under this Agreement, Administrator shall act solely as an independent contractor, and nothing contained or implied in this Agreement shall at any time be construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venturers as between the Village and Administrator.

7. This Agreement shall terminate on repayment of the Bonds or as otherwise provided herein. This Agreement may be terminated with or without cause effective on 30 days written notice. Administrator shall be compensated for services rendered up through the effective date of the termination and payment shall be rendered on a pro rata monthly basis based upon the annual payment due under Exhibit B.

8. Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail and shall be effective upon confirmation of receipt. Mailed notices shall be addressed to the parties at the addresses appearing below, or such other address as given by written notice from one party to the other.

To Administrator:

Keenan Rice  
MuniCap, Inc.  
8965 Guilford Road, Suite 210  
Columbia, MD 21046

To Village:

Village of Gilberts  
87 Galligan Road  
Gilberts, Illinois 60136  
Attn: Rick Zirk

9. This Agreement, including the Exhibits, supersedes any and all agreements, either oral or written, between the parties, and contains all of the covenants and agreements between the parties with respect to the rendering of such services. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party which are not embodied in this Agreement, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement (including any modification to an Exhibit) will be effective if it is in writing and signed by the parties to this Agreement.

10. The Administrator has determined, after exercising reasonable diligence, that it has no known material conflicts of interest that would impair its ability to provide advice to the Client in accordance with its fiduciary duty to municipal-entity clients and the standard of care required by MSRB Rule G-42(a)(i) concerning obligated person clients. There is no known impairment that exists to the ability of Administrator to provide advice to the Village in accordance with its fiduciary duty to municipal-entity clients and the standard of care required by Municipal Securities Rulemaking Board (the "MSRB") Rule G-42(a)(i) concerning obligated person clients. To the extent any material conflicts of interest arise after the date of this Agreement, the Administrator will provide information concerning any material conflicts of interest in the form of a written supplement to this Agreement.

11. The Administrator is registered as a "municipal advisor" under Section 15B of the Securities Exchange Act (the "SEC") of 1934 and rules and regulations adopted by the SEC and the MSRB. As part of this registration the Administrator is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving the Administrator. The Administrator is required to disclose any legal or disciplinary event that is material to the Village's evaluation of the Administrator or the integrity of its management or advisory personnel. The Administrator has determined that no such event exists.

12. Copies of Administrator filings with the SEC are available via the SEC's EDGAR system by searching "Company Filings," which is available via the Internet at: <https://www.sec.gov/edgar/searchedgar/companysearch.html>. Search for "MuniCap" or for Administrator's CIK number, which is 0001614774.

13. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of that or any other provision of this Agreement.

14. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way. Exclusive venue shall lie in Kane County, Illinois.

15. The law of the State of Illinois governs the interpretation of this Agreement and its attachments. Venue for any litigation regarding this Agreement or its attachments must be filed in the state Special Service Area or federal Special Service Area courts located in Kane County, Illinois.

Executed by the Administrator this \_\_\_\_\_ day of \_\_\_\_\_, 2017;

**MuniCap, Inc.**

BY: \_\_\_\_\_

Keenan S. Rice  
President

Executed by the Village this 14<sup>th</sup> day of Nov., 2017;

**Village of Gilberts**

BY:  \_\_\_\_\_

Rick Zirk  
Village President

Executed by the Administrator this 14<sup>th</sup> day of Nov, 2017;

**MuniCap, Inc.**

BY: 

Keenan S. Rice  
President

Executed by the Village this 14<sup>th</sup> day of Nov., 2017;

**Village of Gilberts**

BY: 

Rick Zirk  
Village President

## Exhibit A

### *Administrator's Scope of Services*

Administrator shall provide services to the Village for the Special Service Area Number Fifteen (the "Special Service Area") in accordance with this scope of services. These services include administrative services for the Special Service Area. The administrative services are detailed in five sections relating to five general types of administrative services provided. These five sections are as follows: (i) administrative support services related to the special tax, (ii) delinquency management, (iii) prepayment of special taxes and bond call calculations, (iv) arbitrage rebate services and (v) continuing disclosure services. These services are typically provided by Administrator on similar financings, but all services are provided on an as requested basis.

### ADMINISTRATIVE SERVICES

#### **I. ADMINISTRATIVE SUPPORT SERVICES RELATED TO THE SPECIAL TAX**

Administrative and management support services are those services associated with the annual determination of the special tax to be collected from the property subject thereto, updating the special tax roll, management of bond funds and accounts, and providing public information.

##### **A. Calculate the Annual Special Tax**

This task entails determining the annual special tax to be collected from each parcel and includes the following sub-tasks:

##### **1. Background Research**

This task involves gathering and organizing the information required to form a database necessary to apportion and levy the special tax pursuant to the Rate and Method of Apportionment of Special Tax. This includes but is not limited to review of Kane County worksheets to compile a list of parcel identification numbers applicable for the coming fiscal year and assigning each parcel to the appropriate property use classification as required by the Rate and Method. These tasks included but are not limited to the following:

- a. Subdivision Research:** Identify parcel subdivisions and any other information relevant to collection of the special taxes.
- b. Assessor's Parcel Research:** Upon publication of property tax roll, review assessor parcel maps to compile a list of the assessor's parcels that will be valid for the collection of the Special Tax and determine the assessed value of each parcel.
- c. Ownership/Exempt Property Research:** Research changes in ownership, dedication, and offers of dedication of property to public

agencies and other exempt uses. Identify date property conveyed or offered to exempt entities.

- d. **Database Management:** Prepare database to include all relevant property characteristics for the parcels in the Special Service Area.

## 2. Calculate the Annual Special Tax Levy

This task involves calculating the amount of the special tax levy for the Special Service Area and includes the following sub-tasks:

- a. **Preparation of Budget:** Prepare a budget for the Special Service Area for the subsequent fiscal year.
- b. **Calculate Other Funds Available:** Prepare year-end reconciliation to determine surplus special taxes, interest earnings, and other credits which may be applied to reduce the annual debt service requirement, including accrued interest on the prepayment of special taxes.
- c. **Calculate the Annual Special Tax:** Determine the special tax rate and the special tax for each parcel. These special taxes (if collected) should provide sufficient revenues to meet the annual debt service requirement (including administrative expenses).

## 3. Preparation of Report

This task involves preparing a report to explain the research, methodology and assumptions utilized in the preparation of the budget, the calculation of the annual special tax rates, and the amount of special taxes to be collected. The special tax roll, amended as appropriate, shall be included with the report and the amendments explained therein.

## 4. Support Services Related to Billing of Annual Installments

- a. **Provide Findings to the Village:** The results of the research and the calculation of the annual special taxes prepared by the Administrator will be provided to the Village for its approval.
- b. **Provide Tax Roll to County:** The Administrator shall assist the Village with its required notification to the County of the amount of the special taxes for each parcel to be collected each year.
- c. **Supplemental Billing:** The Administrator shall assist the County or Village with any supplemental billing that shall be necessary.

## B. Administration of Bond Funds



This task involves the review and reconciliation of the account statements for funds and accounts maintained by the Trustee. The accounts and transactions are checked for accuracy and consistency with the Indenture.

**C. Public Information**

This task involves responding to telephone calls from property owners and other interested parties who have questions regarding the special taxes. These calls may be related to a tax bill or an inquiry related to the purchase or sale of property subject to the special taxes. The Administrator shall provide a toll-free phone number for property owners to call with questions. Additionally, this number may be given to people who call the Village or County to obtain information about the special taxes. Additionally, this task will involve monitoring sales practices and disclosure materials.

**D. Administrative Review**

At the request of the Village, the Administrator shall review any notice from a property owner alleging an error in the calculation of any matters related to the Special Tax Roll, and if necessary, meet with the property owner, consider oral and written evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred, and take other corrective action as required to correct the error.

**II. DELINQUENCY MANAGEMENT**

These services are provided only if special taxes are levied and there are delinquencies in the payment of special taxes.

**A. Delinquent Special Tax Report**

After the end of the collection period, the Administrator will prepare a report which lists each parcel delinquent in the payment of the Special Tax and the corresponding amount of delinquency, plus penalties.

**B. Delinquency Follow-Up**

The Administrator will keep Trustee and Village informed of special circumstances that come to the attention of the Administrator, such as bankruptcies and foreclosures.

**III. PREPAYMENT OF SPECIAL TAXES AND BOND CALL CALCULATIONS**

**A. Coordination of Special Tax Prepayments**

Administrator shall coordinate the prepayment of special taxes with the Village, Trustee, property owners, and title companies. This coordination shall include calculation of the amount due to prepay the special tax and transmittal of a letter with the prepayment amount, prepayment

instructions, and the recordable form of the special tax lien release to the title company or other such steps as required by the Indenture and related documents.

## **B. Prepare Bond Call Analyses**

This task involves the analyses of early bond call pursuant to the provisions of the Indenture for the prepayment of special taxes. Administrator shall coordinate with the trustee to ensure Bonds are called pursuant to the terms of the Indenture.

## **IV. ARBITRAGE REBATE SERVICES**

Arbitrage rebate services encompass those activities associated with computing the rebate liability (if any) related to the Series 2015 Bonds and future bonds, if any. The computations will be prepared as described in Section 148(f)(2) of the Internal Revenue Code of 1986, as amended, Administrator shall prepare or coordinate the arbitrage rebate requirements of the bonds, including the following:

### **A. Background Research**

This task involves the review of documents, including the Indenture, non-arbitrage certificate, IRS form 8038-G, trustee fund/account statements, and prior rebate reports, and consultations with bond counsel or special counsel, as needed. The funds subject to arbitrage rebate and any available exceptions will be identified. The flow of funds in the accounts with the Trustee will be identified as necessary to perform the arbitrage rebate calculations.

### **B. Calculation of Bond Yield**

This task involves preparation of a debt service table and an independent calculation of the yield on each issue. The resulting yields will be verified with those stated on the non-arbitrage certificates.

### **C. Calculation of Rebate Liability**

This task involves computation of the allowable arbitrage earnings and comparison of the results to the actual investment earnings for each issue.

### **D. Preparation of Rebate Report**

This task involves the preparation of a written report containing the findings of the financial analysis and an explanation of the underlying methodology followed to compute the rebate liability for each issue. In addition to identifying any arbitrage liability, each report contains a separate investment yield comparison and analysis for each fund. Standard features also include the following items as defined by U.S. Treasury Regulations:

- Explanation of calculation methodology
- Overview of applicable rebate requirements and treasury regulations
- Summary of all pertinent dates
- Identification of major assumptions
- Review of sources and uses of funds
- Bond yield calculation
- Investment yield by fund with comparison to bond yield

Rebate liability by fund  
Aggregate liability for the issue

**E. Rebate Liability Discharge**

This task involves coordination of the filing of IRS Form 8038-T and providing instructions for installment payments as necessary.

**F. Assistance with IRS Inquiries**

This task involves providing assistance in the event of an IRS inquiry related to the Special Service Area bond issues and includes providing supporting documentation used to prepare the calculations and explanation of the calculations in a meeting with the IRS, if necessary. These services are provided on a time and material basis and are not included in the base fee.

**V. CONTINUING DISCLOSURE SERVICES**

**Continuing Disclosure/Annual Report Preparation**

**A. Annual Report Preparation**

The Administrator will prepare an annual report as required by the continuing disclosure agreement.

**B. Significant Event Notices**

Upon notification by any responsible party or if Administrator independently becomes aware of such knowledge, Administrator will prepare notices of material events covering the events enumerated in the disclosure agreements.

**C. Dissemination**

The Administrator will disseminate the annual reports, notices of significant events, as well as the developer's quarterly continuing disclosure statements for Special Service Area Number Twenty-four, to the Municipal Securities Rulemaking Board (MSRB) in a timely manner as set forth in the respective continuing disclosure agreements. The Administrator shall also disseminate information to bond holders requesting information as provided for in the respective continuing disclosure agreements.

**Exhibit B**  
**Administration Services Fee Schedule**

**I. ADMINISTRATIVE SERVICES RELATED TO SPECIAL TAXES**

Administrative services, as set forth in Section I through Section III and Section V of Exhibit "A" shall be provided on a time and material basis with total annual estimated cost of \$10,000 (plus an annual allowance for costs to increase at a CPI of 1.5 percent per year). This fee does not include services related to arbitrage rebate, which will be provided additionally as described below. This fee also does not include more than one trip to Illinois, should it be required. Fees shall be billed based on the number of hours worked at Administrator's prevailing hourly rates, which are currently shown in the fee schedule below, as agreed by Village and Administrator.

Title	Hourly Rate
President	\$250
Senior Vice President	225
Vice President	200
Manager	175
Senior Associate	150
Associate	135

Administrator's hourly rates may be adjusted from time to time to reflect increased costs of labor and services; provided, however, that in no event shall such increase be made more than one time per year and such increase shall not exceed 10% of the fee charged immediately prior to the increase. Administrator shall provide the Village with ninety (90) days advance written notice of each such increase.

**II. DELINQUENCY MANAGEMENT**

Services related to delinquency management, as set forth in Section II of Exhibit "A" are included in the total annual estimates described in Section I of this Exhibit "B," except to the extent there is a tax sale process, in which case costs would be charged to the delinquent property.

**III. PREPAYMENTS OF SPECIAL TAXES AND BOND CALL CALCULATIONS**

Services related to prepayment of special taxes, as set forth in Section III of Exhibit "A", are billed directly to the party requesting the prepayment and paid from prepayment proceeds.

Services related to analyses and coordination with the trustee of early bond call/redemptions pursuant to the provisions of the Indenture are included in the total annual estimates described in Section I of this Exhibit "B."

#### **IV. ARBITRAGE REBATE SERVICES**

Annual arbitrage rebate is provided for a cost of \$1,250 per year plus an initial setup fee of \$500. Calculations provided each five (5) years in-lieu of annual calculations are provided for a cost of \$4,000 plus an initial setup fee of \$500.

#### **V. CONTINUING DISCLOSURE SERVICES**

The costs of preparing the annual report and dissemination are provided on a time and material basis and are included in the total annual estimates described above in Section I of this Exhibit "B."

#### **REIMBURSABLE EXPENSES**

Out of pocket expenses are billed at actual costs without any mark up. Administrator shall receive written approval from the Village before incurring any expenses in excess of one-hundred dollars (\$100).

The expenses provided for herein may be increased from time to time to reflect increased costs; provided however, that in no event shall such increase be made more than one time per year and such increase shall not exceed 10% of the expenses charged immediately prior to the increase. Administrator shall provide Village with ninety (90) days advance written notice of each such increase.

#### **ADDITIONAL WORK**

Services or meetings that may be requested and not included in the scope of work set forth in Exhibit "A" to this Agreement are identified as additional work and shall be billed at Administrator's prevailing hourly rates, which are shown above.

Administrator shall not provide additional work without Village's prior written authorization.

Administrator shall send an invoice to Village each month showing the work performed, the person performing the work, the date the work was performed, the amount of the time worked, and the hourly rates for the work. The invoice shall be accompanied by a certificate to the trustee to be signed by the Village instructing the trustee to pay the invoice. Within thirty days of receiving the invoice, the Village shall forward each correctly billed invoice to the trustee with a signed certificate instructing the trustee to pay the invoice. Administrator's invoices shall be paid solely from available funds of the Special Service Area.