

To: HONORABLE MAYOR AND CITY COUNCIL.

FROM: Dave Maroney, City Administrator.

SUBJECT: Tax Increment Financing Services.

DATE: January 16, 2020.

BACKGROUND.

The accompanying *Work Plan* relating to *Creation of Economic Development TIF District* has been negotiated with Tom Denaway representing Bakertilly Municipal Advisors. The *Scope of Services* includes: (a) creation of a Tax Increment Financing District to facilitate development of Carstensen Trucking on Lot 3 Block One, Business Park North (Task 1); and (b) assistance with development of the financing program to clean-up and redevelop the former Cannonball property (Task 2). On November 6, 2019 the City Council authorized Staff to proceed to this point with the Carstensen project and the Economic Development Authority recommends securing the proposed assistance (Task 2) relating to the Cannonball project.

REQUESTED COUNCIL ACTION.

The City Council is respectfully requested to approve the proposal negotiated with Bakertilly Municipal Advisors to complete Task 1 and Task 2 and authorize execution of the contract.



now joined with
Springsted and Umbaugh

Baker Tilly Virchow Krause, LLP
380 Jackson Street, Suite 300
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Work Plan Cannon Falls, Minnesota

Creation of Economic Development TIF District

January 16, 2020

OBJECTIVE

To assist the City with the creation of an Economic Development TIF District, including the drafting of the TIF Plan and the execution of the statutorily required process.

SCOPE OF SERVICES

Baker Tilly Municipal Advisors (BTMA) will provide the following services at the Client's sole discretion. Services may be omitted if the Client determines the service is not needed.

Task 1: Tax Increment Financing District Establishment

1. Assist City in evaluating proposed projects and confirming qualifications for establishment of a TIF district, with information provided by the developer
2. Verify reasonableness and potential eligible project costs
3. Gather parcel base value and development project information (with on-site meeting if necessary)
4. Size, type, and value of industrial project(s)
5. Phasing of construction and value assessments
6. Construct tax increment analysis including revenue projections and impacts on other taxing jurisdictions
7. Draft tax increment plan and project plan
8. Review draft plans with City Staff and Attorney
9. Send required notifications and information to City and School District officials
10. Prepare and send required publication notice to local newspaper
11. Complete certification of TIF plan with City and notification to State

Task 2: TIF Consulting Assistance

Baker Tilly, at the request of City Staff will also provide additional consulting assistance on the evaluation of a potential redevelopment site for qualification as a Redevelopment TIF District. Baker Tilly will work with City Staff and Attorney to determine the eligibility of a parcel for inclusion within a Redevelopment TIF District, and will work evaluate the potential information available for qualification of the site.

OUTCOMES

Baker Tilly will deliver the following:

- A completed TIF Plan
- Completion of the statutorily required notification process
- Publication of the Notice of Public Hearing
- A complete transcript of all required TIF Documents

COMPLETION DATES

Baker Tilly will complete the TIF District creation process in the standard time frame for the creation of a District. The specific public hearing date will be determined in consultation with Staff and the development of a timeline of the required events.

COMPENSATION

Baker Tilly will provide the above **Scope of Services** and **Outcomes** at the hourly rates detailed in the following table:

2019 Standard Hourly Fee Schedule	
Title	Rate
Principal, Director, & Senior Manager	\$260
Manager & Senior Professional Staff	\$215
Professional Staff	\$160
Support Staff	\$ 75

The work described in **Task 1** will be completed on an hourly basis with an ***estimated*** cost of \$5,200. The hourly rates to be charged are as listed below. Excluded from the fee indicated above is any out-of-pocket expenses such as travel, copies, faxes, conference calls, credit reports, the cost of research information, or other expenses necessary to complete the project. Additional work requested and authorized by the Client outside the scope of services described in this proposal will be invoiced at our standard hourly rates as shown below.

The work described in **Task 2** will be completed on an hourly basis, with an ***estimated*** cost of \$1,560.

The foregoing Work Plan is hereby entered into on behalf of the respective parties by signature of the following persons each of whom is duly authorized to bind the parties indicated.

Signature

Signature

Printed Name

Printed Name

Title

Title

Baker Tilly Municipal Advisors, LLC

Standard Business Terms

These Standard Business Terms ("Terms") govern the services provided by Baker Tilly Municipal Advisors, LLC ("Baker Tilly", "we", "us" or "our") set forth in the Engagement Letter or Statement of Work to which these Terms are attached (the "Services"). These Terms, together with the Engagement Letter or Statement of Work to which they are attached, constitute the entire understanding and agreement between the client identified on such Engagement Letter or Statement of Work (the "Client") and Baker Tilly with respect to the Services described in the Engagement Letter or Statement of Work (collectively, the Engagement Letter or Statement of Work and these Terms are referred to as the "Agreement") and supersede and incorporate all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto. If there is a conflict between these Terms and the terms of any Engagement Letter or Statement of Work, these Terms shall govern.

Section 1. Confidentiality

With respect to this Agreement and any information supplied in connection with this Agreement and designated by the disclosing party (the "Disclosing Party") as "Confidential Information" either by marking it as "confidential" prior to disclosure to the receiving party (the "Recipient") or, if such information is disclosed orally or by inspection, then by indicating to the Recipient that the information is confidential at the time of disclosure and confirming in writing to the Recipient, the confidential nature of the information within ten (10) business days of such disclosure, the Recipient agrees to: (i) protect the Confidential Information in the same manner in which it protects its confidential information of like importance, but in no case using less than reasonable care; (ii) use the Confidential Information only to perform its obligations under this Agreement; and (iii) reproduce Confidential Information only as required to perform its obligations under this Agreement. This section shall not apply to information which is (A) publicly known, (B) already known to the recipient; (C) disclosed to a third party without restriction; (D) independently developed; or (E) disclosed pursuant to legal requirement or order, or as is required by regulations or professional standards governing the Services performed. Subject to the foregoing, Baker Tilly may disclose Client's Confidential Information to its subcontractors and subsidiaries.

Section 2. Deliverables

(a) Materials specifically prepared by Baker Tilly for Client as a deliverable under an Engagement Letter or Statement of Work (each a "Deliverable") may, when fully paid for by Client, be used, copied, distributed internally, and modified by Client but solely for its internal business purposes. Client shall not, without Baker Tilly's prior written consent, disclose to a third party, publicly quote or make reference to the Deliverables. Baker Tilly shall retain all right, title and interest in and to: (i) the Deliverables, including but not limited to, all patent, copyright, trademark and other intellectual property rights therein; and (ii) all methodologies, processes, techniques, ideas, concepts, trade secrets and know-how embodied in the Deliverables or that Baker Tilly may develop or supply in connection with this Agreement (the "Baker Tilly Knowledge"). Subject to the confidentiality restrictions contained in Section 1 and fiduciary obligations as set forth in applicable law or regulation, Baker Tilly may use the Deliverables and the Baker Tilly Knowledge for any purpose.

(b) The documentation for this engagement, including the workpapers, is not part of the Deliverables, is the property of Baker Tilly and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain documentation available to regulators, Client hereby authorizes us to do so.

Section 3. Acceptance

Client shall accept Deliverables which (i) substantially conform to the specifications in the Engagement Letter or Statement of Work or (ii) where applicable, successfully complete the mutually agreed to acceptance test plan described in the Engagement Letter or Statement of Work. Client will promptly give Baker Tilly written notification of any non-conformance of the Deliverables with such requirements ("Non-conformance") within thirty (30) days following delivery of such Deliverables, and Baker Tilly shall have a reasonable period of time, based on the severity and complexity of the Non-conformance, to correct the Non-conformance so that the Deliverables substantially conform to the specifications. If Client uses the Deliverable before acceptance, fails to promptly notify Baker Tilly of any Non-conformance within such 30-day period, or delays the beginning of acceptance testing more than five (5) business days past the agreed upon date for the start of such acceptance testing as specified or otherwise determined under the Engagement Letter or Statement of Work, then the Deliverable shall be deemed irrevocably accepted by the Client.

Section 4. Standards of Performance

(a) Baker Tilly shall perform its Services in conformity with the terms expressly set forth in this Agreement and all applicable laws and regulations governing the Services. Accordingly, our Services shall be evaluated on our substantial conformance with such terms and standards. Any claim of nonconformance (and applicability of such standards) must be clearly and convincingly shown. Client acknowledges that the Services will involve the participation and cooperation of management, officials and others of Client. Unless required by professional standards or Client and Baker Tilly otherwise agree in writing, Baker Tilly shall have no responsibility to update any of its work after its completion.

(b) It is understood that Baker Tilly will serve in an advisory capacity with the Client. The Client is responsible for all management decisions and functions relating to the proposed transactions and for designating one or more individuals with suitable skill, knowledge and experience to oversee the Services provided hereunder.

Section 5. Warranty

(a) Each party represents and warrants to the other that it has full power and authority to enter into and perform this Agreement and any Engagement Letter or Statement of Work entered into pursuant hereto and the person signing this Agreement or such Engagement Letter or Statement of Work on behalf of each party hereto has been properly authorized and empowered to enter into this Agreement.

(b) Client warrants that it has the legal right and authority, and will continue to have the legal right and authority during the term of this Agreement, to operate, configure, provide, place, install, upgrade, add, maintain and repair (and authorize Baker Tilly to do any of the foregoing to the extent the same are included in the Services) the hardware, software and data that comprises any of Client's information technology system upon which or related to which Baker Tilly provides Services under this Agreement.

(c) Baker Tilly warrants that any Services that it provides to Client under this Agreement and any Engagement Letter or Statement of Work will be performed in accordance with generally accepted industry standards of care and competence and all applicable laws and regulations governing the Services. Client's sole and exclusive remedy for a breach of Baker Tilly's warranty will be for Baker Tilly, in its sole discretion, to either: (i) use its reasonable commercial efforts to re-perform or correct the Services, or (ii) refund the fee Client paid for the Services that are in breach of Baker Tilly's warranty. Client must make a claim for breach of warranty in writing within thirty (30) days of the date that the Services that do not comply with Baker Tilly's warranty are performed. This warranty is voided in the event that Client makes alterations to the Services provided by Baker Tilly or to the environment in which the Services are used (including the physical, network and systems environments) that are not authorized in writing by Baker Tilly. If Client does not notify Baker Tilly of a breach of Baker Tilly's warranty during that 30-day period, Client will be deemed to have irrevocably accepted the Services.

(d) Baker Tilly does not warrant any third-party product (each, a "Product"). All Products are provided to Client by Baker Tilly or otherwise "AS IS," provided that, if the review of a recommendation of a Product is requested by the Client and within the scope of the Engagement Letter or Statement of Work, Baker Tilly will determine, based on the information obtained through its diligence, whether the Product is suitable for the Client and the basis therefore. Client, recognizing that Baker Tilly is not the provider of any Product, expressly waives any claim that Client may have against Baker Tilly based upon any product liability or infringement or alleged infringement of any patent, copyright, trade secret or other intellectual property right (each a "Claim") with respect to any Product and also waives any right to indemnification from Baker Tilly against any such Claim made against Client by another. Client acknowledges that no employee of Baker Tilly or any other party is authorized to make any representation or warranty on behalf of Baker Tilly that is not in this Agreement.

Baker Tilly Municipal Advisors, LLC Standard Business Terms (cont.)

(e) This Section 5 is Baker Tilly's only warranty concerning our Services and any Deliverable, and is made expressly in lieu of all other warranties and representations, express or implied, including any implied warranties of merchantability, ACCURACY, TITLE, non-infringement, or fitness for a particular purpose, or otherwise.

Section 6. Limitation on Damages and Indemnification

(a) The liability (including attorney's fees and ALL other costs) of Baker Tilly and its present or former partners, principals, agents or employees related to any claim for damages relating to the services performed under this Agreement shall not exceed the fees paid to Baker Tilly for the portion of the work to which the claim relates, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Baker Tilly relating to such services. This limitation of liability is intended to apply to the full extent allowed by law or regulation, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for ANY lost profits, LOST business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages DELAYS, INTERRUPTIONS, OR VIRUSES arising out of or related to this Agreement even if the other party has been advised of the possibility of such damages.

(b) As Baker Tilly is performing the Services solely for the benefit of Client, Client will indemnify Baker Tilly, its subsidiaries, affiliates and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including reasonable attorneys' fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the Services, Client's use of the Deliverables, or this Agreement.

(c) In the event Baker Tilly is requested by the Client; or required by government regulation, subpoena, or other legal process to produce our engagement working papers or its personnel as witnesses with respect to its Services rendered for the Client, so long as Baker Tilly is not a party to the proceeding in which the information is sought, Client will reimburse Baker Tilly for its professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

(d) Because of the importance of the information that Client provides to Baker Tilly with respect to Baker Tilly's ability to perform the Services, Client hereby releases Baker Tilly, its subsidiaries, affiliates and their present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney's fees, relating to the Services, that arise from or relate to any information, including representations by management, provided by Client, its personnel or agents, that is not complete, accurate or current.

(e) Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Agreement are material bargained for bases of this Agreement and that they have been taken into account and reflected in determining the consideration to be given by each party under this Agreement and in the decision by each party to enter into this Agreement.

(f) The terms of this Section 6 shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort, or any form of negligence, whether of Client, Baker Tilly or others), provided that nothing herein shall constitute a waiver or limitation of any rights which the Client may have under applicable U.S. federal securities laws, or any other laws whose applicability is not permitted to be contractually waived. The Client understands that it should consult independent legal counsel to determine if it has a non-waivable claim against Baker Tilly. These terms shall also continue to apply after any termination of this Agreement.

(g) Client accepts and acknowledges that any legal proceedings arising from or in conjunction with the Services must be commenced within twelve (12) months after the performance of the Services for which the action is brought, without consideration as to the time of discovery of any claim.

Section 7. Personnel

During the term of this Agreement, and for a period of six (6) months following the expiration or termination thereof, neither party will actively solicit the employment of the personnel of the other party involved directly with providing Services hereunder. Both parties acknowledge that the fee for hiring personnel from the other party, during the term of this Agreement and within six (6) months following completion, will be a fee equal to the hired person's annual salary at the time of the violation so as to reimburse the party for the costs of hiring and training a replacement.

Section 8. Termination

(a) This Agreement may be terminated at any time by either party upon written notice to the other. However, upon termination of this Agreement, this Agreement will continue to remain in effect with respect to any Engagement Letter(s) or Statement(s) of Work already issued at the time of such termination, until such Engagement Letter(s) or Statements of Work are themselves either terminated or the performance thereunder is completed.

(b) This Agreement and all Engagement Letters or Statements of Work may be terminated by either party effective immediately and without notice, upon: (i) the dissolution, termination of existence, liquidation or insolvency of the other party, (ii) the appointment of a custodian or receiver for the other party, (iii) the institution by or against the other party of any proceeding under the United States Bankruptcy Code or any other foreign, federal or state bankruptcy, receivership, insolvency or other similar law affecting the rights of creditors generally, or (iv) the making by the other party of any assignment for the benefit of creditors.

(c) Client shall pay Baker Tilly for all Services rendered and expenses incurred as of the date of termination.

(d) Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, limitation of liability, confidentiality, ownership of work product, and survival of obligations, any accrued rights to payment and remedies for breach of this Agreement shall survive the expiration or termination of this Agreement or any Engagement Letter or Statement of Work.

Section 9. Dispute Resolution

(a) Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Agreement as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation, or termination of this Agreement shall be resolved as set forth in this Section 9 using the following procedure: In the unlikely event that differences concerning the Services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Baker Tilly office providing the relevant services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act ("FAA") and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from AAA, JAMS, the Center for Public Resources, or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within fifteen (15) days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award non-monetary or equitable relief and will not have the right to award punitive damages. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The arbitration proceeding, and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. In no event shall a demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim would be barred under the applicable statute of limitations.

(b) Because a breach of any the provisions of this Agreement concerning confidentiality or intellectual property rights will irreparably harm the non-breaching party, Client and Baker Tilly agree that if a party breaches any of its obligations thereunder, the non-breaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including,

**Baker Tilly Municipal Advisors, LLC
Standard Business Terms (cont.)**

but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the mediation procedures set forth in this Section 9 in order to seek injunctive or declaratory relief.

Section 10. Force Majeure

In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this Agreement due to any act of God, fire, casualty, flood, war, strike, lock out, failure of public utilities, injunction or any act, exercise, assertion or requirement of any governmental authority, epidemic, destruction of production facilities, insurrection, inability to obtain labor, materials, equipment, transportation or energy sufficient to meet needs, or any other cause beyond the reasonable control of the party invoking this provision ("Force Majeure Event"), and if such party shall have used reasonable efforts to avoid such occurrence and minimize its duration and has given prompt written notice to the other party, then the affected party's failure to perform shall be excused and the period of performance shall be deemed extended to reflect such delay as agreed upon by the parties.

Section 11. Taxes

Baker Tilly's fees are exclusive of any federal, national, regional, state, provincial or local taxes, including any VAT or other withholdings, imposed on this transaction, the fees, or on Client's use of the Services or possession of the Deliverable (individually or collectively, the "Taxes"), all of which shall be paid by Client without deduction from any fees owed by Client to Baker Tilly. In the event Client fails to pay any Taxes when due, Client shall defend, indemnify, and hold harmless Baker Tilly, its officers, agents, employees and consultants from and against any and all fines, penalties, damages, costs (including, but not limited to, claims, liabilities or losses arising from or related to such failure by Client) and will pay any and all damages, as well as all costs, including, but not limited to, mediation and arbitration fees and expenses as well as attorneys' fees, associated with Client's breach of this Section 11

Section 12. Notices

Any notice or communication required or permitted under this Agreement or any Engagement Letter or Statement of Work shall be in writing and shall be deemed received (i) on the date personally delivered; or (ii) the date of confirmed receipt if sent by Federal Express, DHL, UPS or any other reputable carrier service, to applicable party (sending it to the attention of the title of the person signing this Agreement) at the address specified on the signature page of this Agreement or such other address as either party may from time to time designate to the other using this procedure.

Section 13. Miscellaneous

(a) This Agreement and any Engagement Letters or Statement(s) of Work constitute the entire agreement between Baker Tilly and Client with respect to the subject matter hereof and supersede all prior agreements, promises, understandings and negotiations, whether written or oral, regarding the subject matter hereof. No terms in any Client purchase order that are different from, or additional to, the terms of this Agreement will be accorded any legal effect and are specifically hereby objected to by Baker Tilly. This Agreement and any Engagement Letter or Statement of Work cannot be amended unless in writing and signed by duly authorized representatives of each party. Headings in this Agreement are included for convenience only and are not to be used to construe or interpret this Agreement.

(b) In the event that any provision of this Agreement or any Engagement Letter or Statement of Work is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be

affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement or such Engagement Letter or Statement of Work did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission with respect to Client, such that any provision of this Agreement would impair Baker Tilly's independence under its rules, such provision(s) shall be of no effect.

(c) Neither this Agreement, any Engagement Letter or any Statement of Work, any claims nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Agreement and any Engagement Letter or Statement of Work to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interests or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Agreement.

(d) The validity, construction and enforcement of this Agreement shall be determined in accordance with the laws of the State of Illinois, without reference to its conflicts of laws principles, and any action (whether by arbitration or in court) arising under this Agreement shall be brought exclusively in the State of Illinois. Both parties consent to the personal jurisdiction of the state and federal courts located in the State of Illinois.

(e) The failure of either party at any time to enforce any of the provisions of this Agreement or an Engagement Letter or Statement of Work will in no way be construed as a waiver of such provisions and will not affect the right of party thereafter to enforce each and every provision thereof in accordance with its terms.

(f) Client acknowledges that: (i) Baker Tilly and Client may correspond or convey documentation via Internet e-mail unless Client expressly requests otherwise, (ii) neither party has control over the performance, reliability, availability, or security of Internet e-mail, and (iii) Baker Tilly shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail.

(g) Except to the extent expressly provided in the Engagement Letter or Statement of Work to the contrary, no third-party beneficiaries are intended under this Agreement.

(h) Important disclosures relating to Baker Tilly, potential conflicts of interest and legal and disciplinary events are attached as Exhibit A to these Terms and may be updated from time to time.

(i) Baker Tilly Municipal Advisors, LLC is a wholly owned subsidiary of Baker Tilly Virchow Krause, LLP. Baker Tilly Virchow Krause, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Baker Tilly Virchow Krause, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Virchow Krause, LLP, Baker Tilly Investment Services, LLC, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

Acknowledgement:

The Standard Business Terms above, and Exhibit A hereto, correctly sets forth the understanding of the Client.

Accepted by:

Signature: _____

Title: _____

Date: _____

Baker Tilly Municipal Advisors, LLC

Standard Business Terms

Exhibit A

Important Disclosures

Non-Exclusive Services

Client acknowledges and agrees that Baker Tilly and its affiliates, including but not limited to Baker Tilly Virchow Krause, LLP, Baker Tilly Capital, LLC, and Baker Tilly Investment Services, LLC, are free to render municipal advisory and other financial services to others and that Baker Tilly does not make its municipal advisory services available exclusively to the Client.

Conflicts of Interest

Contingent Fee. The fees to be paid by the Client to Baker Tilly are or may be based on the size of the transaction and partially contingent on the successful closing of the transaction. Although this form of compensation may be customary in the municipal securities market, it presents a conflict because Baker Tilly may have an incentive to recommend unnecessary financings, larger financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause a financing or other transaction to be delayed or fail to close, Baker Tilly may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction. Baker Tilly manages and mitigates this conflict primarily by adherence to the fiduciary duty which it owes to the Client which require Baker Tilly to put the interests of the Client ahead of its own and its duty of fair dealing that it owes to obligated person clients which require it to deal fairly with all persons.

Hourly Fee Arrangements. Under an hourly fee form of compensation, Baker Tilly will be paid an amount equal to the number of hours worked multiplied by an agreed upon billing rate. This form of compensation presents a potential conflict of interest if Baker Tilly and the Client do not agree on a maximum fee under the Engagement Letter or Statement of Work because Baker Tilly will not have a financial incentive to recommend alternatives that would result in fewer hours worked. In addition, hourly fees are typically payable by the Client whether or not the financing transaction closes.

Affiliated Entities. Baker Tilly's affiliate, Baker Tilly Investment Services, LLC ("BTIS"), a U.S. Securities and Exchange Commission ("SEC") registered investment adviser, may provide services to the Client in connection with the investment of proceeds from an issuance of securities. In such instances, services will be provided under a separate engagement, for an additional fee. Notwithstanding the foregoing, Baker Tilly may act as solicitor for and recommend the use of BTIS, but the Client shall be under no obligation to retain BTIS or to otherwise utilize BTIS relative to Client's investments. The fees paid with respect to investment services are typically based in part on the size of the issuance proceeds and Baker Tilly may have incentive to recommend larger financings than would be in the Client's best interest. Baker Tilly will manage and mitigate this potential conflict of interest by this disclosure of the affiliated entity's relationship, a Solicitation Disclosure Statement when Client retains BTIS's services and adherence to Baker Tilly's fiduciary duty and/or fair dealing obligations to the Client.

No additional conflicts of interest have been identified by Baker Tilly. To the extent any such material conflicts of interest arise after the date of this Agreement, Baker Tilly will provide information with respect to such conflicts in the form of a supplement or amendment to this Exhibit A.

Legal and Disciplinary Events

Baker Tilly is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the SEC) and the Municipal Securities Rulemaking Board ("MSRB"). As part of this registration, Baker Tilly 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 Baker Tilly. Pursuant to MSRB Rule G-42, Baker Tilly is required to disclose any legal or disciplinary event that is material to the Client's evaluation of Baker Tilly or the integrity of its management or advisory personnel.

There are no criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations or civil litigation involving Baker Tilly. Copies of Baker Tilly filings with the SEC can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Baker Tilly Municipal Advisors, LLC or for our CIK number which is 0001616995. The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.