

**AGREEMENT FOR  
TIRZ ADMINISTRATIVE SERVICES**

THIS AGREEMENT is made and entered into as of May 4, 2020, by and between the **City of Crandall, Texas** hereinafter called "City" and **MuniCap, Inc.**, hereinafter called "Administrator," for administrative services related to the City's TIRZ. The City and Administrator, in consideration of the mutual promises and conditions herein contained, agree as follows.

WHEREAS, the City has created and/or is planning to create various Tax Increment Reinvestment Zones (the "TIRZs") and will require specialized services related to the administration for the TIRZs; and

WHEREAS, the City will require specialized services related to the administration of the TIRZs, 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 City agree as follows:

1. Following signatures by both parties, this Agreement shall become effective. Capitalized terms not otherwise defined herein shall have the meaning given thereto in the Indentures or other TIRZ related documents. In the event that bonds are not issued, neither party hereto shall have any obligation under this Agreement.

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

A. Administrator shall provide financial and administrative services to the City related to the administration of the TIRZs 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 City from time to time, when requested, in such form and number as may be required by the City, and shall make such final reports as may be required by the City 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 City, 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 City 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 City. 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 City without prior written consent of the City.

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, City 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 City and Administrator.

7. This Agreement relates to the TIRZs identified in Exhibit D and shall terminate on full repayment of the bonds and/or other debt obligations for each TIRZ, or as otherwise provided herein. The City shall notify the Administrator whenever a new TIRZ is created by the City and Exhibit D shall be updated from time to time accordingly. This Agreement may be terminated with or without cause effective on 60 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:

Abdi Yassin  
MuniCap, Inc.  
600 E. John Carpenter Freeway, Suite 333 Irving, TX 75062

With a Copy to:

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

To City:

City of Crandall  
110 S. Main St  
Crandall, Texas 75114  
Attn: City Manager

With a Copy to:

City of Crandall  
110 S. Main St  
Crandall, Texas 75114  
Attn: City Attorney

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 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. Administrator is registered as a "municipal advisor" under Section 15B of the Securities Exchange Act of 1934 and rules and regulations adopted by the Securities Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"). Pursuant to MSRB Rule G-10, Administrator (MuniCap, Inc.) is required to provide City with the following information:

- A. 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 City 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. To the

extent any material conflicts of interest arise after the date of this Agreement, Administrator will provide information concerning any material conflicts of interest in the form of a written supplement to this Agreement.

- B. As part of this registration, Administrator is required to disclose any legal or disciplinary event that is material to the City's evaluation of the Administrator or the integrity of its management or advisory personnel. The Administrator has determined that no such event exists.
- C. 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.
- D. The MSRB has made available on its website ([www.msrb.org](http://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.

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.

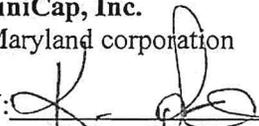
14. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way. Exclusive venue shall lie in Kaufman County, Texas (the "County").

15. The law of the State of Texas 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 district or federal district courts located in Collin County, Texas.

16. This Agreement is for services and is governed by Subchapter I, Chapter 271 of the Local Government Code.

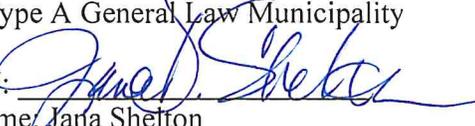
IN WITNESS WHEREOF this Agreement has been executed as of the date and year first above written.

**MuniCap, Inc.**  
a Maryland corporation

BY:   
\_\_\_\_\_  
Keenan S. Rice  
President

IN WITNESS WHEREOF this Agreement has been executed as of the date and year first above written

**City of Crandall**  
a Type A General Law Municipality

BY:   
Name: Jarfa Shelton  
Its: City Manager

## Exhibit A

### *Administrator's Scope of Services*

Administrator shall provide services to the City for the TIRZs in accordance with this scope of services. There are two sections to this scope of services relating to four general types of administrative services provided. These four sections are as follows: (i) administrative support services related to the TIRZ revenues (ii) delinquency management (iii) disclosure services, and (iv) compliance monitoring. The specific services to be provided by Administrator are as follows:

#### **I. ADMINISTRATIVE SUPPORT SERVICES RELATED TO THE TIRZ REVENUES**

Administrative and management support services are those services associated with the annual determination of the applicable tax increment amounts pursuant to the TIRZ Project Plan and Financing Plans (the "TIRZ Plans") collected from the properties subject thereto (the "TIRZ Revenues"), updating the TIRZ Plans, allocation of TIRZ Revenues, and providing public information.

##### **A. Calculate and Allocate the TIRZ Revenues**

This task entails determining the annual TIRZ Revenues 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 calculate and to allocate the TIRZ Revenues and includes the following:

- a. **Subdivision Research:** Identify parcel subdivisions and any other information relevant to collection of the TIRZ Revenues.
- 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 TIRZ Revenues and verify the assessed value of each parcel.
- c. **Database Management:** Prepare database to include all relevant property characteristics for the parcels in the TIRZ.

###### **2. Calculate and/or Verify the TIRZ Revenues Collected**

This task involves calculating and/or verifying the TIRZ Revenues collected and includes the following sub-tasks:

- a. **Preparation of Budget:** Prepare a budget for the TIRZs based on TIRZ Revenues collected in the preceding fiscal year on the basis of the TIRZ Plans, as updated from time to time.

- b. **Allocate TIRZ Revenues for authorized uses:** Allocate the TIRZ Revenues collected for authorized uses on the basis of the TIRZ Plans, as updated from time to time.

**3. Determine Updates to the Annual Assessment Roll**

This task involves determining the updates to the Annual Assessment Roll, if applicable, and making those amendments pursuant to the TIRZ Plans.

**4. Update TIRZ Plans**

This task involves updating the TIRZ Plans to incorporate changes, if any, to the research, methodology, and assumptions utilized in the preparation of the TIRZ Plans, the TIRZ Revenues collected, and the allocation of the TIRZ Revenues collected from the parcels in the TIRZs.

**B. Administration of Bond Funds**

This task involves the review and reconciliation of the account statements for funds and accounts maintained for the TIRZ Revenues, if applicable. The accounts and transactions are checked for accuracy and consistency with the applicable documents.

**C. Public Information**

This task involves responding to telephone calls from property owners and other interested parties who have questions regarding the TIRZs. These calls may be related to a tax bill or an inquiry related to the purchase or sale of property. 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 City or County to obtain information about the TIRZs.

**D. Administrative Review**

At the request of the City, the Administrator shall review any notice from a property owner alleging an error in the calculation of any matters related to the TIRZs, 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 there are delinquencies in the payment of TIRZ Revenues.

**A. Delinquent TIRZ Revenues Report**

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

## **B. Delinquency Follow-Up**

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

The Administrator will also work with the City, the delinquent tax attorneys and the tax collector to initiate and pursue delinquency enforcement procedures.

## **III. CONTINUING DISCLOSURE SERVICES**

### **Continuing Disclosure/Annual Report Preparation**

#### **1. Annual Report Preparation**

The Administrator will prepare or assist the City to prepare an annual report for the TIRZs as may be required.

#### **2. Interim Reports**

The Administrator will prepare or assist the City to prepare an interim report for the TIRZs, if requested, or any other work request by the City.

## **VI. Compliance Monitoring**

### **A. Compliance Monitoring**

This task involves maintenance of an audit file and preparation of a report confirming compliance with the provisions of the TIRZ Plans. This task includes the following subtasks:

#### **1. Ownership and Transfer of Public Improvements**

Confirm that all public improvements have been transferred to a public entity, once appropriate, as required by the applicable agreement with the developer.

#### **2. No Post-Closing Agreements**

Confirm with any relevant parties to confirm that there are no post-closing agreements that give any private business user a special legal entitlement to any public improvement, except for those agreements reviewed by bond counsel.

#### **3. No Disposition of the Public Improvements**

Confirm that there have been no sales, leases, or other dispositions of any public improvement, except for dispositions reviewed by bond counsel).

#### **4. No Modifications**

Confirm that there have been no modifications to any public improvement, except for those which are in compliance with agreement with the developer providing for the construction of the public improvements or as otherwise approved by bond counsel.

**5. Maintenance of Audit File**

Maintain an audit file with documentation to verify information related to compliance with the tax certificate.

**6. Preparation of Report**

Prepare a report to the City each year explaining the efforts of Administrator to verify confirmation of compliance with the TIRZ Plans, documentation in the audit file, and identifying any missing information or requirements of the TIRZ Plans not confirmed.

**7. Other Authorized work**

Perform any other TIRZ related work requested by the City.

The Administrator may provide other services requested by the City for which the Administrator has expertise, such as preparing the TIRZ project plan and finance plan or evaluating options to refund the bonds at a lower interest rate. Such services shall be provided only if confirmed in writing (including by email) and shall be billed on a time and material basis as provided for in Exhibit B. Upon request, and as additional services billed on an hourly basis, Administrator shall provide additional services to assist with matters related to any TIRZ. The services provided herein do not include conducting due diligence on information provided to or used by Administrator. Administrator will not rely on information it does not believe to be reasonable and valid, but it will not investigate the validity of information unless requested to so as additional work. Administrator's services do not include any services not specified herein or specified at the time additional services are requested, including review of legal, engineering, and land use issues.

## Exhibit B

### *Consulting and Administration Services Fee Schedule*

#### **I. ADMINISTRATIVE SERVICES RELATED TO THE TIRZ REVENUES**

Administrative services, as set forth in Section I of Exhibit A, shall be provided on a time and material basis with total annual estimated costs of \$6,500 to \$9,000, plus an estimate of \$2,000 to \$4,000 for one-time initial set up costs. These costs should decrease once the development is complete. 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 for "Additional Work", as agreed by City and Administrator.

#### **II. DELINQUENCY MANAGEMENT**

Services related to delinquency management 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."

#### **III. CONTINUING DISCLOSURE SERVICES**

The costs related to the continuing disclosure services 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."

#### **III. COMPLIANCE MONITORING**

The costs related to the accounting services 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 City before incurring any expenses in excess of one-hundred dollars (\$100).

The fees provided for herein may be increased 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 City with one hundred and twenty (120) days advance written notice of each such increase.

#### **ADDITIONAL WORK**

Services or meetings not specified 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 currently are as follows:

Title	Hourly Rate
President	\$275
Senior Vice President	250
Vice President	225
Manager	200
Senior Associate	175
Associate	150

Administrator's hourly rates may be adjusted from time to time to reflect increased costs of labor and services.

Administrator shall not provide additional work without City's prior written (including email) authorization.

Administrator shall send an invoice to City 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 City instructing the trustee to pay the invoice. Within thirty days of receiving the invoice, the City 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 TIRZs.

Administrator specifically acknowledges that it shall have no recourse against City for payment of any fees associated with this Agreement.

## Exhibit C

### *Timelines*

Administrator shall deliver work products described in Exhibit A based on the document delivery timeline to be set by the City and the Administrator on a case by case basis.

**Exhibit D**

*List of TIRZs – to be updated with each new TIRZ*

*1 – City of Crandall Tax Increment Reinvestment Zone No. 1*