

Item #4:
Resolution Approving Agreements With Speer & Foley

VILLAGE OF LONG GROVE

RESOLUTION NO. 2011-R-__

**RESOLUTION APPROVING SERVICE CONTRACTS RELATING TO FINANCING
ACTIVITIES OF THE HERONS LANDING LONG GROVE SPECIAL SERVICE AREA
FINANCING DISTRICT**

WHEREAS, the Village of Long Grove has established a special service area for potable Lake Michigan water service (the "**Water SSA**") to properties within the Herons Landing Subdivision, which Water SSA authorizes the Village to issue bonds in furtherance of such water service improvements; and

WHEREAS, in order to issue bonds contemplated under the Lake Michigan Water SSA, the Village Board of Trustees has determined it is in the best interests of the Village, the Herons Landing Subdivision, and the Water SSA to retain professional assistance for the marketing, underwriting, sale, and issuance of such bonds; and

WHEREAS, the Village has determined that it is in the best interests of the Village, the Herons Landing Subdivision, and the Water SSA to retain Foley & Lardner LLP as bond counsel for the Herons Landing SSA District ("**Foley & Lardner**") and Speer Financial, LLC ("**Speer**") to provide marketing, underwriting, and related services for the issuance of bonds according to the terms set forth in Exhibit A and Exhibit B attached hereto (the "**Foley & Lardner Engagement and Speer Financial, LLC Engagement**"); and

WHEREAS, the Village has determined that Foley & Lardner and Speer have the requisite expertise to serve the needs of the Village and the Lake Michigan Water SSA, and Foley & Lardner and Speer have been specifically requested to provide bond counsel & underwriting services; and

WHEREAS, the President and Board of Trustees, being fully advised in the premises, have determined that it is in the best interests of the Village and its residents to approve the Foley Engagement and the Speer Engagement;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LONG GROVE, LAKE COUNTY, ILLINOIS, AS FOLLOWS:

Section 1: Recitals. The foregoing recitals are hereby incorporated herein as findings of the Village Board of Trustees.

Section 2: Approval of Professional Services.

The President and Board of Trustees hereby approve the Foley Engagement and the Speer Engagement in substantially the forms attached as Exhibits A and B, respectively, and authorize the Village Manager to execute a contract or other appropriate documentation therefor; provided that the Village first receives an executed contract in a form acceptable to the Village Manager in consultation with the Village Attorney.

Section 3: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED THIS 26TH DAY OF JUNE, 2011.

AYES: (X) XXXX, XXXXX,

NAYS: (X)

ABSENT: (X)

APPROVED THIS 26TH DAY OF JUNE, 2011.

Maria Rodriguez, Village President

ATTEST:

Karen Schultheis, Village Clerk

EXHIBIT A

Foley Engagement





FOLEY & LARDNER LLP

ATTORNEYS AT LAW

321 NORTH CLARK STREET, SUITE 2800
CHICAGO, IL 60654-5313
312.832.4500 TEL
312.832.4700 FAX
foley.com

June 13, 2011

CLIENT/MATTER NUMBER
091673-0102

David Lothspeich
Village Manager
Village of Long Grove
3110 Old McHenry Road
Long Grove, Illinois 60047-5286

Re: Village of Long Grove Engagement Letter Agreement

Dear Mr. Lothspeich:

Thank you for selecting Foley & Lardner LLP (the "Firm") to represent the Village of Long Grove, Illinois (the "Village") as bond counsel in connection with the issuance of special service area bonds (the "Bonds") for improvements to benefit the Herons Landing Subdivision. Although we regret the length and formality of this Engagement Letter Agreement ("Agreement"), it is important that we have a clear understanding of our working relationship going forward. Please do not hesitate to contact us if you have any concerns.

1. Scope of Engagement

This Agreement confirms the terms of this matter. As we discussed, the scope of our engagement will be to serve as bond counsel to the Village in connection with the Bonds (the "Matter"). Should the Village of Long Grove, Illinois retain the Firm for subsequent matters, the specifics of this Agreement will remain the same unless otherwise communicated. Our services as bond counsel would include tax and structuring analysis, preparation of the basic financing documents and appropriate closing documents, and review of the legal proceedings incident to the formation of the special service area and the issuance of the Bonds, and rendering an approving opinion with respect to the validity of the Bonds and with respect to any Bonds the interest on which is tax-exempt ("Tax-Exempt Bonds") the exclusion of the interest thereon from federal income taxes. In addition, we would assist the Village in reviewing only those portions of the offering document to be disseminated in connection with the sale of the Bonds (hereinafter referred to as an "Official Statement") involving the description of the Bonds, the security for the Bonds (excluding any forecasts, projections, estimates or any financial or economic information) and the description of the federal tax treatment of interest on the Bonds. We understand that the Village will retain a financial advisor or underwriters to assist it in the preparation of the Official Statement.

The scope of the engagement of the Matter will include providing Federal tax advice to the Village. The Firm has established policies and procedures intended to ensure compliance with United States Department of the Treasury Circular 230, which governs standards of practice

BOSTON
BRUSSELS
CHICAGO
DETROIT

JACKSONVILLE
LOS ANGELES
MADISON
MIAMI

MILWAUKEE
NEW YORK
ORLANDO
SACRAMENTO

SAN DIEGO
SAN DIEGO/DEL MAR
SAN FRANCISCO
SHANGHAI

SILICON VALLEY
TALLAHASSEE
TAMPA
TOKYO
WASHINGTON, D.C.

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before the Internal Revenue Service. In that light, we wish to emphasize that the Firm is engaged to provide only legal services and that (1) the Firm is not engaged to verify facts, and attorneys of the Firm will not undertake to verify facts in the course of representation; (2) the Firm is not engaged to verify the accuracy of financial analysis, financial projections, or similar reports, and is not engaged to render any opinions regarding the accuracy of such reports; (3) the Firm is not engaged as experts in valuation, and is not engaged to render opinions concerning valuation matters; and (4) the Firm is not engaged as experts in engineering or similar disciplines, and is not engaged to render opinions relating to such matters. Although Circular 230 generally contemplates that attorneys must not rely upon unreasonable factual representations and assumptions in providing Federal tax advice, the Firm does not purport to have special expertise in non-legal disciplines to evaluate the reasonableness of any such factual representations or assumptions.

a. It is expected that under the terms of our engagement the Firm will render a written opinion relating to the federal income tax treatment of interest on the Tax Exempt Bonds. We understand that the Village agrees to the limited scope of this Federal tax opinion and agrees that the opinion cannot be used for the purpose of avoiding penalties that may be imposed on the Village with respect to Federal tax issues not addressed in the opinion.

b. Except as described in Paragraph 1. above, our services as bond counsel does not include assistance or performing an independent investigation to determine the accuracy, completeness or sufficiency of the Official Statement or rendering any advice, view or comfort that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. In addition, our services as bond counsel does not include opining on securities laws compliance or as to any continuing disclosure undertaking pertaining to the Bonds; and, after the execution and delivery of the Bonds, providing advice as to any Securities and Exchange Commission investigations or concerning any actions necessary to assure compliance with any continuing disclosure undertaking.

2. Staffing

I will have primary responsibility for the Matter, but will utilize other Firm attorneys and paraprofessionals when that is appropriate and cost effective. We will keep the Village informed of our progress, and will utilize our best efforts to respond to the Village as promptly as possible. In return, the Village agrees to keep us informed of any developments that affect the Matter as soon as the Village becomes aware of them, and to be available when we need to consult with the Village.

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3. Conflicts of Interest

We have checked our records based on the information the Village has provided to us at this time. Our search also included the names of business entities, if any, about which you have informed us of an affiliation that could give rise to significant concerns if we should be involved in matters for other clients directly adverse to such business entities.

a. As we have previously discussed, the Firm has a conflict or potential conflict arising out of our Firm's representation of Bernardi Securities Inc., the proposed Underwriter of the Bonds, on matters unrelated to the issuance of the Bonds.

b. We believe that we can accept this representation if each of you consents. We believe this representation will not be compromised by our relationship with Bernardi Securities and that we will be able to provide competent and diligent representation to the Village in these matters. By signing this letter, the Village is expressly waiving this conflict.

4. Advance Waiver of Conflict

a. The Village agrees that the Firm may represent current or new clients in work directly adverse to the Village, provided such work is not substantially related to the Matter and the Firm does not use any of the Village's confidential information in representing such clients. This consent does not include our being trial counsel in litigation adverse to the Village. In addition, the Village agrees that, even though the Firm represents the Village in this Matter, the Firm may represent in the future other parties who are adversely involved in the Matter, or who may later become involved in the Matter, as long as that representation of other parties is substantially unrelated to the Matter. By way of examples only, and assuming such representations are not substantially related to the Matter, we may represent one or more parties in bankruptcy cases that may have interests adverse to the Village, we may represent clients with regard to intellectual property rights that may be adverse to those of the Village, or we may represent clients in contract or other business disputes adverse to the Village. The Firm agrees that it will not use any of the Village's confidential information in representing such other clients and, when needed, we will establish an ethical wall to assure that confidential information is not exchanged between those working on the Matter and those working for such other clients.

b. Our Firm policy requires that any advance waiver of future conflicts be in writing, and by signing and returning a copy of this Agreement, the Village agrees to this advance waiver.

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5. Fees and Billing

The fees and costs for the Matter are not predictable. Therefore, we cannot promise what fees or expenses will be necessary to resolve or complete the Matter. Any fees and costs we might have previously discussed are estimates only. The Village also understands that the payment of the Firm's fees and costs is not contingent upon the outcome of the Matter.

However, we estimate that our fees for services as bond counsel for two bond issues – one tax-exempt and one taxable, both of which are fixed rate bond issues, would range between \$50,000 and \$65,000. Factors such as the contribution of other parties, the time required, the nature of the state law and federal tax law questions involved, the manner in which the bonds are sold and the complexity of any additional security and business covenants could affect our fee. In the event that we encounter presently unforeseen complexities requiring substantial additional work on our part, we would discuss the fee arrangement with you. Our fees and expenses are customarily paid from bond proceeds on the date the Bonds are issued (the "Closing"). We generally do not submit any statement for fees prior to the Closing, except in those instances where there is a substantial delay from the expected financing schedule. In such instances we reserve the right to provide an interim statement of charges. In the event the financing fails to close for any reason, we would look to the Village for payment of our actual time charges based on our published hourly rates and expenses to date not to exceed the estimate set forth above.

We will bill the Village for support services, such as photocopy and facsimile, messenger and delivery service, online research, travel, word processing, court costs, and search and filing fees. We do not bill long distance telephone charges; we will bill for conference calls using an "800" number service at \$.47 per minute per participant. If we arrange a video conference on the Village's behalf, we will bill at rates established by the service provider. We currently charge \$.15 per page for photocopies, and faxes are billed at \$.50 per page. We charge for word processing or secretarial services only if done on an overtime basis and with the Village's consent. Certain support services that involve equipment or staffing or that require payments to third parties may include additional charges that reflect our internal costs. It is our policy to provide the most cost effective and efficient support systems available.

6. Limitations of Liability

Foley & Lardner LLP is a limited liability partnership under the laws of Wisconsin. This means the Village's right to recover damages in a legal malpractice action that may exceed our insurance and Firm assets is limited to the personal assets of the attorneys whose acts or omissions gave rise to the Village's claim.

7. Termination of Representation

a. Either of us may terminate this Agreement at any time for any reason by written notice. The Firm is subject to applicable rules of professional conduct when terminating a client engagement. If we terminate the engagement, the Firm will

take all reasonable and practical steps to protect the Village's interests in the Matter and, at its request, suggest possible new counsel. We will provide new counsel with any papers the Village has given us. If permission from the court is necessary for withdrawal, we will promptly apply for it, and the Village will engage new counsel to represent the Village.

b. Unless previously terminated, our representation of the Village in the Matter will end when we send our final invoice. After the Matter ends, there might be changes in laws or regulations that might affect the Village's future rights and liabilities, but the Firm does not have an obligation to continue to advise the Village about future legal developments, unless the Village engages us to do so.

8. Disposition of Files and Records

a. Following the conclusion of the Matter, we will maintain the confidentiality of any of the Village's confidential information provided us in accordance with applicable rules of professional conduct. Any documents provided by the Village, or provided by a third party, will be returned to the Village unless the Village authorizes destruction of them.

b. We will retain our own files pertaining to the Matter, including material prepared by or for the internal use of our attorneys. These include the Firm's administrative records, time and expense reports, personnel and staffing materials, credit and accounting records, internal attorneys' work product (such as drafts, notes, internal memoranda and legal and factual research), written and electronic communications, pleadings, and investigative reports. The Firm has internal policies that determine the retention periods for closed representation files. Therefore, if the Village does not request return of this file material, the Firm reserves the right to destroy it at the end of the defined retention period. Upon the Village's reasonable request, the Firm will provide such portions of these file materials to the Village as required by the applicable rules of professional responsibility or other legal requirements. Unless applicable rules of professional responsibility require an earlier return, we may retain such file material pending receipt of payment of any outstanding fees or costs.

9. Communication

a. We often send to our clients information about the Firm or legal matters we think might be of interest to them. The Village agrees that we may send the Village this material, either by electronic mail or other means. The Village also agrees that we may communicate with the Village about this Matter by electronic mail on an unencrypted basis.

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b. Either at the beginning or during representation, we might express opinions or beliefs concerning the Matter and the results that might be anticipated. Any such statement made by us is an expression of opinion only and is not a promise or guarantee of results.

c. The Village agrees that the Firm may list the Village on publicly disclosed lists and other materials as a client that the Firm represents.

10. Arbitration

Any dispute over fees and/or costs (a "Dispute") will be submitted to and settled exclusively by binding arbitration, in accordance with the provisions of this section, subject only to any applicable requirement of law that the parties engage in a preliminary non-binding mediation or arbitration regarding fee disputes. Binding arbitration shall be conducted in accordance with the Judicial Arbitration and Mediation Service Streamlined Rules & Procedures (the "JAMS Rules"). Arbitration shall be held in the County of Cook, before an arbitrator selected pursuant to the JAMS Rules who will have no personal or pecuniary interest, either directly or indirectly, from any business or family relationship with either of the parties. All decisions of the arbitrator will be final, binding, and conclusive on the parties.

The parties will equally share the costs of the arbitrator and the arbitration fee (if any). Each party will bear that party's own attorneys' fees and costs, and the prevailing party will not be entitled to reimbursement by the other party of any of its fees or costs incurred in connection with the arbitration hereunder, regardless of any rule to the contrary in the applicable arbitration rules. Either party may seek confirmation of the arbitration award in the courts located in Cook County, and each party hereby consents to the exclusive jurisdiction and venue of Cook County, Illinois in any claim or action arising hereunder. By signing this Agreement containing this provision, the Village agrees to waive any and all rights to a jury trial regarding any Dispute.

Before you sign this agreement you should consider consulting with another lawyer about the advisability of making an agreement with mandatory arbitration requirements. Arbitration proceedings are ways to resolve disputes without the use of the court system. By entering into agreements that require arbitration as the way to resolve fee disputes, you give up (waive) your right to go to court to resolve those disputes by a judge or jury. These are important rights that should not be given up without careful consideration.

Please confirm the Village's approval of this Agreement by signing and returning the enclosed duplicate copy in the envelope provided. If the Village has any questions, or if this Agreement does not accurately set forth our arrangement, please let me know.

June 13, 2011

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We look forward to working with you on this Matter.

Very truly yours,

FOLEY & LARDNER LLP

By:  _____
Laura L. Bilas

Enclosures

AGREED AND ACCEPTED:

Village of Long Grove, Illinois

By: _____
(Authorized Signature)

(Title)

(Date)

EXHIBIT B

Speer Engagement





KEVIN W. McCANNA
PRESIDENT

DAVID F. PHILLIPS
SR. VICE PRESIDENT

LARRY P. BURGER
VICE PRESIDENT

DANIEL D. FORBES
VICE PRESIDENT

BARBARA L. CHEVALIER
VICE PRESIDENT

RAPHALIATA McKENZIE
VICE PRESIDENT

May 19, 2011

Mr. David Lothspeich
Village Manager
Village of Long Grove
3110 RFD
Long Grove, Illinois 60047

RECEIVED

MAY 20 2011

VILLAGE OF LONG GROVE

Dear Mr. Lothspeich:

This letter is Speer Financial's proposal offering our professional services as financial consultants in connection with the sale of \$3,000,000 Special Service Area Bonds for the Herons Crossing.

This proposal is made for our services in connection with the preparation of all necessary material in order to market these securities at the best possible interest rate. We outline herein some of the specific services we would render and, in any event, our services will be complete through the issuance of the securities and delivery of the proceeds.

Upon approval by the Village, this proposal will become a contract between the Village of Long Grove and Speer Financial, Inc., in accordance with its terms.

Summary of Services

Speer Financial will prepare a financial plan and then implement it through the proposed sale and issuance of bonds. The Village will make all final decisions, but Speer Financial will make recommendations on all aspects of the financing and work closely with the Village's staff, attorney and bond counsel. We will develop alternative maturity schedules for the Village's review. After consultation, we will recommend maturity schedules and other terms for the proposed debt issuance to meet both the Village's needs and to match market requirements.

We will research financial and economic data relating to the Village. We will recommend the best method of sale. When a competitive sale is appropriate we will distribute the preliminary offering document to underwriters and investors and work to develop bidding groups. We attend all competitive sales, check the bids and recommend which bid to accept. When a negotiated placement is most advantageous to the Village we will work with you to select an underwriter. We will assist in negotiating the interest rates, spread, terms and conditions of the issue on your behalf with the selected underwriter.

We will arrange for the preparation and registration of the securities, the delivery of the bonds to the purchaser and the simultaneous transfer of sale proceeds to the Village. We will advise, if requested, on the investment of sale proceeds until they are scheduled to be expended, and, if required, will, under separate contract, assist you to comply with continuing disclosure requirements.

Compensation

This proposal is for our professional services only and does not include the expenditure of any funds on behalf of the Village. The Village is to pay all of its own ordinary expenses in connection with the issue. These include, but may not be limited to, professional services (attorney, bond counsel, architect, engineer and auditor), credit enhancement (rating, insurance, letters of credit), delivery (postage, express mail, fax service), publication/printing fees (official statement, notice of sale, bid forms, report duplication), bidding vehicles (SpeerAuction.com or SpeerBids.com) and transaction costs (CUSIP, registration/paying agent).

Our fee for each sale is based upon the par amount of securities issued and is calculated as follows:

Financial Advisory Fee: \$10,000 plus out of pocket costs.

Our fee is the same for competitive and negotiated sales. Our recommendation on the method of sale is based on the best interests of the Village and is not influenced by our fee.

Respectfully submitted,



Kevin W. McCanna
President

KWM/mj

This proposal is accepted on behalf of the Village of Long Grove, Lake County, Illinois, the _____ day of _____, 2011. You are instructed to proceed.

VILLAGE OF LONG GROVE
LAKE COUNTY ILLINOIS
