

January 18, 2024

ARBITRAGE CONSULTING SERVICES CONTRACT FOR:

Huerfano County, Colorado



Prepared by:

Ehlers

3060 Centre Pointe Drive

Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

January 18, 2024

Huerfano County, Colorado
401 Main Street
Walsenburg, CO 81089

Re: Letter of Engagement to Retain Ehlers for Arbitrage Consulting Services

All tax-exempt Obligations (“Obligations”) issued by or on behalf of Huerfano County, Colorado (“Issuer”) are subject to the arbitrage provisions of the Internal Revenue Code of 1986 and related Treasury regulations (“Tax Code). To comply with the statute and regulations the Issuer must undertake certain analyses. Ehlers & Associates, Inc. (“Ehlers”) can provide arbitrage consulting services that comply with the Tax Code.

This Letter of Engagement (“Letter”) is being presented to memorialize and clarify the terms of the Issuer’s engagement of Ehlers as the Issuer’s Arbitrage Consulting Services Agent. In this regard, Ehlers agrees to provide Issuer with those services described in Appendix A (“Services”). Ehlers shall be entitled to compensation by the Issuer also as described in Appendix A.

To perform the Services described in this Letter, Issuer agrees to provide Ehlers all documents and information as are deemed necessary by Ehlers to fulfill the Issuer’s reporting requirements related to the Tax Code, and within the applicable timeframe. Issuer agrees to provide Ehlers with timely and accurate information regarding pertinent cash and investment activity as well as pertinent revenue and expenditure activities for all funds related to the required service (“Arbitrage Information”). Issuer acknowledges that Ehlers shall be entitled to rely on all Arbitrage Information provided by the Issuer without further investigation as to its completeness or accuracy. Ehlers will have no liability to the Issuer if the Arbitrage Information furnished to Ehlers is not timely or accurate.

If our engagement under the terms of this Letter is acceptable, please sign this Letter in the appropriate signature block on the next page and return a signed copy to us for our records. If, however, you do not wish to engage our services, please note that election in writing by the appropriate Issuer staff. Please contact me if you have any questions or would like to discuss our engagement further.

Sincerely,

EHLERS & ASSOCIATES, INC.


Stephen H. Broden

Senior Arbitrage Consultant | Managing Director

SO ACCEPTED BY ISSUER

Issuer hereby accepts this Letter and engages Ehlers to provide the services noted herein and executes this Letter as of the date noted below:

By: _____ Title: _____

Name: _____ Date: _____

APPENDIX A

Description of Services

- Arbitrage Commingled Fund Analysis
- Arbitrage Consulting & Training
- Arbitrage Rebate Analysis
- Arbitrage Spend Down Analysis
- Arbitrage Yield Restriction Analysis
- IRS Audit Assistance
- IRS Payments & Overpayment Recoveries

Description of Fees

REPORTING

If required, Ehlers will charge Issuer a report fee per obligation to determine spending exceptions, bona fide debt service fund exemptions, rebate and yield restriction amounts for all funds related to the Obligations. Ehlers will charge fees in accordance with the fee schedule set forth below.

Base fee **\$2,500 per report per obligation**

CONSULTING

Ehlers will charge Issuer a consulting fee per obligation to provide Commingled Fund Analysis, advanced Consulting & Training, IRS Audit Assistance, IRS Payments & Overpayment Recoveries, and any atypical analysis not described above. Ehlers will charge fees in accordance with the fee schedule set forth below.

Base fee **\$300 per hour**

Ehlers will invoice Issuer for the amount due. The invoice is due and payable by the Issuer within 60 days of the invoice date.

Future Fee Changes

Ehlers reserves the right to adjust fees during the Term of the engagement without prior consent of the Issuer, but not more than annually. Prior to any fee adjustments, the Issuer will be notified in writing of the revised fees and their effective date.