

October 27, 2020



Mr. Dimitri Millas, Senior Associate  
Norton Rose Fulbright LLP  
Fulbright Tower  
1301 McKinney, Suite 5100  
Houston, TX 77010-3095  
on behalf of:  
Harris County Municipal Utility District No. 109 ("Issuer")

**ENGAGEMENT LETTER FOR ARBITRAGE COMPLIANCE SERVICES**

**CONTROL #9.00**

**\$6,165,000.00 UNLIMITED TAX REFUNDING BONDS, SERIES 2008**

Arbitrage Compliance Specialists, Inc. ("ACS") is pleased to present our fees to provide arbitrage compliance services for the Issuer. Our firm has distinctive legal and accounting experience with arbitrage compliance services dating back to the inception of the arbitrage rebate regulations of 1986. ACS is one of the most prominent and well-respected providers of arbitrage compliance services in the nation. ACS' staff members are accounting professionals who have extensive knowledge of governmental accounting, accounting allocation methods and legal interpretation skills to compute the lowest permissible liability allowed. We pride ourselves on our unprecedented commitment to each and every client we represent.

ACS has provided a fee schedule to encompass the various elements that we may encounter during the calculations. ACS' fees are derived by the number of years included in the calculation. The fee schedule listed on page 2 provides fees for reports covering the applicable periods. Each calculation includes both a legal opinion and a CPA opinion to provide assurance that the calculations were completed according to Section 148(f) of the Internal Revenue Code of 1986 that governs the arbitrage rebate requirements (the "Tax Code").

We appreciate the opportunity to provide assistance to help the Issuer comply with the IRS arbitrage compliance requirements. As always, if we may be of further assistance or if there are any questions, please do not hesitate to call us at (800) 672-9993 ext.7526.

Sincerely,  
Arbitrage Compliance Specialists, Inc.

Doug Paolke, CPA, Managing Director

Please acknowledge acceptance of this engagement by signing and faxing this letter in its entirety to Arbitrage Compliance Specialists, Inc. at (800) 756-6505 or scanning and e-mailing to Doug@rebatebyacs.com.

\_\_\_\_\_  
Accepted by – Signature

\_\_\_\_\_  
Print Name, Title

\_\_\_\_\_  
Date

<b>Bond Compliance Program Services:</b>	<b>Fees</b>
Arbitrage Rebate Calculation Final: 05/29/2018 to 10/01/2021	\$2,450.00
<b>TOTAL</b>	<b>\$2,450.00</b>

<b>Optional Fees (If Applicable)</b>	
Commingled Funds, Reserve Fund Analysis, and/or Transferred Proceeds	Included

<b>Arbitrage Rebate Calculation Services</b>	
Preparation of IRS Form 8038-T and IRS Filing Instructions	Included
<b>Legal Services</b>	
IRS Audit Assistance (For Bond Issues Completed By ACS)	Included
<b>Post-Calculation Services</b>	
Debt Compliance Monitoring Service	Included
Record Retention Service	Included

### **Calculation Services**

1. Review the documents related to the debt issue to include the Official Statement, Tax Certificate, IRS Form 8038-G and CPA Verification Report.
2. Complete an in-depth analysis of the debt structure by our in-house tax attorney to determine if the debt issue is subject to rebate and/or yield restriction and identify applicable exceptions.
3. Monitor IRS filing deadlines, election requirements and restricted periods in our database tracking system to ensure timely reporting.
4. Perform the rebate, yield restriction/yield reduction or spending exception/penalty calculations in compliance with Internal Revenue Code of 1986.
5. Provide calculations with legal opinion and CPA certified professional opinion that can be relied upon by the Issuer regarding the liability. The report will provide supporting documentation to include the calculation method employed, assumptions and conclusions.
6. Prepare payment Form 8038-T with detailed filing instructions for accurate and timely filing to the IRS, if applicable.

### **Support Services**

7. Discuss the report and findings to ensure a complete understanding of the procedures and recommendations in such report.
8. Prepare a debt compliance monitoring schedule that identifies all-important relevant information by issue including prior calculations, liability amounts, future calculation due dates and important status notes.
9. Advise on how future changes in the Tax Code may affect the debt issue.
10. Provide technical assistance and consultation in matters related to the arbitrage compliance regulations.
11. Assist in the IRS record retention requirements, which include storage of records related to the debt issue.
12. Provide no cost audit support in the event of an IRS audit.