

**TOWN OF TIMNATH, COLORADO
RESOLUTION NO. 77, SERIES 2018**

**A RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH
CLIFTONLARSONALLEN LLP**

WHEREAS, the Town Council of the Town of Timnath (“Town”) pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, attached hereto as Exhibit A is an Professional Services Agreement between the Town and CliftonLarsonAllen LLP for financial services (the “Agreement”); and

WHEREAS, the Agreement was entered into on March 11, 2013 for an initial term of thirty-six months (the “Initial Term”); and

WHEREAS, according to the terms of the Agreement, upon expiration of the Initial Term, the Agreement automatically extends for successive additional thirty-six month terms; and

WHEREAS, the Agreement was extended on June 28, 2016 for another thirty-six month term; and

WHEREAS, the Town Council desires to extend the Agreement for an additional thirty-six month term effective January 1, 2019; and

WHEREAS, the Town Council is familiar with the Agreement and finds it to be in the best interest of the Town, its residents, and the general public to extend the Agreement.


NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO AS FOLLOW:

Section 1. Approval

The Agreement is hereby approved in substantially the form attached hereto as Exhibit A, with such modifications and additions as the Town Manager, in consultation with Legal Counsel, determines to be necessary and appropriate to protect the interests of the Town or effectuate the purposes set forth herein and not otherwise inconsistent with this Resolution.

INTRODUCED, MOVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, ON DECEMBER 11, 2018.

TOWN OF TIMNATH, COLORADO



Jill Grossman-Belisle, Mayor

ATTEST:



Milissa Peters-Garcia, CMC
Town Clerk



EXHIBIT A
AGREEMENT

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF TIMNATH
AND CLIFTONLARSONALLEN LLP**

This Professional Services Agreement (the "Agreement"), is made by and between the Town of Timnath (the "Town") and the undersigned contractor (the "Contractor"). Town and Contractor shall be collectively referred to herein from time to time as the "Parties".

WHEREAS, the Town desires to retain Contractor and Contractor desires to be retained to provide the professional Services defined in paragraph 1.C, below (the "Services"); and

NOW, THEREFORE, in consideration of the agreements and covenants contained herein, the Parties hereto agree as follows:

1. BASIC TERMS:

a. Name, Address, and Phone Number of the Parties.

- i. Town of Timnath
Town of Timnath
C/O Town Manager
4800 Goodman Drive
Timnath, Colorado 80547

- ii. Contractor
CliftonLarsonAllen LLP
C/O Christine Harwell
8390 E. Crescent Parkway, Ste. 300
Greenwood Village, CO 80111

b. Exhibits and Attachments. All attachments specifically referred to herein shall be deemed incorporated herein by reference as if fully stated herein. Due to the day to day nature of the professional services relationship between Contractor and the Town, the parties acknowledge that informal amendments to exhibits or attachments may occur by custom and practice; however, the parties agree that no such amendment shall occur which is directly in conflict with a specific provision hereof without prior approval by the Town Council as evidenced by written amendments hereto. This Agreement may also be amended by replacement of any Section herein in writing and initialed by the Mayor and Contractor.

c. Scope of Services. The "Scope of Services" attached hereto as **Exhibit A** defines generally the "Services" that Contractor will continue to provide to Town, subject to such direction as may be provided to Contractor by the Town.

d. Titles. Christine Harwell shall be designated as the "Town Finance Director" and shall direct the provision of Services to Town on behalf of Contractor. Notwithstanding such reference, Contractor is solely liable to the Town for performance of this Agreement and

Contractor, not Ms. Harwell individually, shall be responsible directly to the Town for Services provided by Contractor. No individual employee of Contractor shall be considered or deemed to have personally undertaken the obligations of this Agreement or to have personally guaranteed the performance hereof by Contractor. Ms. Harwell may hold herself out as the Town Finance Director to persons doing business with, residing in, or otherwise dealing with Town, and may utilize business cards prepared by Town for such purposes.

e. Compensation. Fees for the Services shall be invoiced to the Town not later than the tenth (10th) day of each month in amounts subject to the following provisions:

- i. Compensation for the Services provided pursuant to this Agreement shall be subject to a Monthly Invoice Cap (defined below) for all Services performed for the Town and the Timnath Development Authority. Special work that can be charged to third party developers or work conducted in connection with unforeseen opportunities for the Town which is outside the normal routine shall be categorized as "Out of Scope Services" and shall fall outside the Monthly Invoice Cap and be paid hourly as approved in writing by the Town Manager.
- ii. The initial "Monthly Invoice Cap" for fees, exclusive of costs per the Special Provisions contained in Exhibit B as defined below, shall be in the amount of \$22,446 per month. The Monthly Invoice Cap shall be applicable for Services provided from and after January 1 of the applicable year. The Monthly Invoice Cap amount shall be adjusted January 1 of each calendar year by increasing the Monthly Invoice Cap by 3.0%.
- iii. Each monthly invoice from Contractor shall contain a cover memorandum showing, at a minimum, how fees billed in excess of the Monthly Invoice Cap will be deferred and accounted for as part of the "Deferral Above Monthly Cap", and any additional information reasonably requested by the Town Council or Town Manager. Items discussed in paragraphs i and v of this subsection shall be due in addition to the Monthly Invoice Cap. The amount of the Deferral Above Monthly Cap shall accrue from month to month (the "Accrued Deferral Above Monthly Cap"), provided that its accrual shall be limited to \$100,000 per year (the "Annual Deferral Cap"). The Parties acknowledge that Accrued Deferral Above Monthly Cap from the previous term of this agreement, subject to the Annual Deferral Cap, shall continue to accrue from year to year throughout the Term and Additional Terms but shall never exceed a "Maximum Deferral" of \$300,000. Amounts which exceed the Annual deferred Cap and the Maximum Deferral shall be forgiven annually.
- iv. The Deferral Above Monthly Cap and Accrued Deferral Above Monthly Cap shall be reflected on the Town's books as a contingent liability, due and payable to Contractor in the event the Professional Service Agreement is terminated for convenience. In no event shall any contingent liability exceed the Maximum Deferral and no payment shall be due which is greater

than the lesser of the total contingent liability or the Maximum Deferral. The parties agree that the Deferral Above Monthly Cap and Accrued Deferral Above Monthly Cap represent fees for valid Services performed each month during the Term, properly due to Contractor as a portion of the Services for which the Monthly Invoice Cap is due, and that payment of such amounts by the Town in the event of termination for convenience of the Professional Services Agreement is not a penalty but is payment of earned fees constituting the Monthly Invoice Cap.

- v. The monthly invoice cap shall not apply to extraordinary Services, including, but not limited to bond issues, litigation, major retail development project negotiations, or fees for services which are billed to the Town which are reimbursable to Town by third parties, whether actually reimbursed or not in the discretion of the Town. When such matters arise, Contractor will discuss with the Town Manager additional budget amounts which may be necessary to pay fees for such work. In addition to amounts described above, Contractor may incur out of pocket costs in the handling of the Town's matters. These costs may include photocopying charges, handling charges, delivery charges, telephone, fax, filing and recording fees, and other costs which Contractor may advance payment on the Town's behalf. These will also be billed on a monthly basis. These costs are subject to the same payment terms as fees. All bills are due upon receipt, and if any bill is not paid during the month of receipt of an invoice, interest will accrue at a rate of one percent per month.

f. **Term and Termination.** Notwithstanding the date of execution hereof or the date of ratification by the Town of the execution hereof, Contractor is engaged pursuant to this Agreement for a term of 36 months commencing January 1, 2019, and continuing through December 31, 2021 (the "Initial Term"), subject to annual budget appropriation of revenues sufficient to pay the "Monthly Invoice Cap" as increased annually pursuant to paragraph E of this section. Fees for Services will be billed and itemized monthly per existing invoice formats. If fees in any month are less than the Monthly Invoice Cap, the lesser amount shall be paid. Upon the expiration of the Initial Term, this Agreement shall be deemed automatically extended for successive additional 36 month terms ("Additional Term(s)") until such time as this Agreement is terminated by formal Council action to terminate. Contractor further agrees that this Agreement shall be subject to periodic audits as requested by the Town to confirm the reasonableness of Contractor's time billed and Contractor's billable rates, and Contractor agrees to cooperate in providing documentation reasonably necessary to assist the Town in performing such audits upon request of the Town.

The parties acknowledge that the engagement created by this Agreement may be terminated for convenience at any time but only by formal resolution of the Town, as set forth below, adopted in a public meeting whereupon the Accrued Deferral Above Monthly Cap described above shall be due and payable in full within ten (10) days of adoption of such Resolution. Services shall terminate thirty (30) calendar days after such Resolution is adopted. The compensation provisions set forth above shall be binding through the date Services are terminated. Subject only to the foregoing, the Town shall have the unfettered right to take formal action to terminate this

Agreement.

2. CONTRACTOR NOT EMPLOYEE. Contractor is an independent contractor and not an employee, partner or agent of the Town and, as such, is not entitled to workers' compensation benefits and is obligated to pay federal and state income tax on any moneys earned pursuant to this Agreement. Contractor shall, at all times, have exclusive domain and control over the activities of its employees, if any, and under no circumstances shall Contractor or Contractor's employees be considered employees or agents of the Town. The Services set forth in this Agreement shall be provided by Contractor using its own office space, employees, supplies, and resources sufficient to meet the needs of the Town as directed by Council.

3. SPECIAL PROVISIONS. Exhibit B contains special provisions which are deemed a part of this Agreement. The application of certain provisions of Exhibit B may be limited to specific Services set forth in Exhibit A. Unless such limitations are set forth, all provisions of Exhibit B are intended to apply to all provisions of this Agreement and all Services set forth in Exhibit A.

4. COLORADO CONSTITUTION, ARTICLE X, SECTION 20. Notwithstanding other provisions in this Agreement to the contrary, if any, the Parties understand and acknowledge that the Town is subject to Article X, § 20 of the Colorado Constitution ("TABOR"). Consistent with Article X, Section 20 of the Colorado Constitution, the Town's payment obligations to Contractor in any year following the year of the execution hereof are not intended to and do not constitute a multi-year fiscal obligation to the Town. All financial obligations of the Town under this Agreement are subject to the annual appropriation of sufficient funds for the same by the Timnath Town Council, acting in its sole and exclusive discretion. In the event of non-appropriation which occurs as set forth herein, this Agreement shall automatically terminate upon the first day of the fiscal year for which funds are not appropriated and neither Party shall have any continuing obligation to the other under this Agreement except as explicitly provided herein with respect to the obligation to pay the Accrued Deferral Above Monthly Cap amount which obligation shall survive any termination and non-appropriation.

5. CONFIDENTIALITY. The Parties agree that Contractor will, in the course of its duties hereunder, receive information concerning the Town, its employees, elected and appointed officials, property, equipment and functions. Contractor agrees to hold all such information confidential and to not disclose the same other than to the extent required to perform its duties, or upon a proper request from an authorized Town official, or pursuant to a proper request under the Colorado Open Records Act, C.R.S. § 24-72-101, et. Seq., to which the authorized Town official has confirmed it is appropriate for Contractor to respond or pursuant to a lawful court order. The requirements of this Section shall survive the termination of this Agreement.

6. ILLEGAL ALIENS – PUBLIC CONTRACTS FOR SERVICES. "E-verify Program" as used herein means the electronic employment verification program created in Public Law 104-208, as amended, and explained in Public Law 108-156, as amended, and jointly administered by the United States Department of Homeland Security and the Social Security Administration, or its successor program. "Department" as used herein means the Department of

Labor and Employment. "Department Program" as used herein means the employment verification program established by the Department pursuant to C.R.S. § 8-17-102(5)9c). The undersigned on behalf of the Contractor certifies that, at the time of this certification and the execution of this Agreement, the Contractor does not knowingly employ or contract with an illegal alien who will perform work under this Agreement and that the Contractor will participate in the E-verify Program, pursuant to C.R.S. § 8-17.5.191 or Department Program in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement and will otherwise seek and obtain its own legal counsel for advice on how to comply with such laws.

7. MISCELLANEOUS PROVISIONS.

a. Severability/Governing Law. This Agreement is to be governed and construed according to the laws of the State of Colorado with venue of any litigation to be in Larimer County. If any provisions of this Agreement shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement, and all such other provisions shall remain in full force and effect. It is the intention of the Parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision valid, then the provision shall have the meaning which renders it valid.

b. Entire Agreement. It is understood that there are no oral agreements between the Parties hereto effecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the Parties hereto or displayed by Town to Contractor with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Agreement. This Agreement is and shall be considered to be the only agreement between the Parties hereto and their representatives and agents. All negotiations and oral agreements acceptable to both Parties have been merged into and are included herein. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the Parties hereto or their respective successors in interest.

c. Waiver and Modification. The waiver by Town of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of Services hereunder by Town shall not be deemed to be a waiver of any previous breach by Contractor of any term, covenant or condition of this Agreement. No modification of the terms of this Agreement shall be valid unless in writing and executed with the same formality as this Agreement, and no waiver of any breach of any provision of this Agreement shall be construed as a waiver of any subsequent breach of the same or any other provision hereof. If this Agreement is contingent upon approval by the Town Council, it is expressly agreed that, except as may otherwise be provided by applicable statute or ordinance, no official of the Town has the authority to waive or modify any provision of this Agreement without formal approval of the Town Council.

d. Headings. The headings and titles in this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part hereof.

e. Time. Time is of the essence of this Agreement, and each and all of its provisions

in which performance is a factor.

f. **Corporate Authority.** If Contractor is a corporation, an LLC, an LLP, a limited partnership, a general partnership, an LLLP, or other non-natural entity, each individual executing this Agreement on behalf of said entity represents and warrants that they are duly authorized to execute and deliver this Agreement on behalf of said entity, in accordance with a duly adopted resolution of the board of directors, partners, or members of said entity or in accordance with the governing documents of said entity, and that this Agreement is binding upon said entity in accordance with its terms.

g. **Notices.** Any notice or other communication given by any of the Parties hereto to another relating to this Agreement shall be in writing and shall be deemed to have been duly given:

- i. On the date and at the time of delivery if delivered personally to the party to whom notices is given at the address specified in Section 1, above;
- ii. On the date of delivery or attempted delivery shown on the return receipt if mailed to the party to whom notices is to be given by first class mail, sent by registered or certified mail, return receipt requested, postage prepaid and properly addressed as specified in Section 1, above; or
- iii. Within twenty-four (24) hours after deposit with a nationally recognized overnight courier or messenger service, properly addressed as specified in Section 1, above.
- iv. Either Party may change such address by fifteen (15) days written notice to the other provided, however, the Parties may not designate more than one place and address to received notices as provided in this Agreement.

h. **Non-Assignment.** This Agreement is an agreement for Services by which Contractor was selected for Contractor's special expertise. This Agreement may not be assigned by either party.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Agreement as of the ____ day of December, 2018.

TOWN OF TIMNATH

By: [Signature]

Title: _____
Mayor

ATTEST:

[Signature]
Town Clerk

CONTRACTOR:

[Signature]

By: _____

Title: Principal

STATE OF COLORADO
COUNTY OF Arapahoe

The foregoing Professional Services Agreement was acknowledged before me this 12th day of December, 2018 by Christine Harwell as Principal.

Witness my hand and official seal.

My commission expires: 7/28/19

[Signature]
Notary Public

SANDRA L. BRANDENBURGER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20034024917
MY COMMISSION EXPIRES 7/28/2019

EXHIBIT A
(Scope of Services)

- **Serve as the Finance Director for the Town of Timnath and Timnath Development Authority (TDA) (collectively referred hereafter as the Town) and respective Finance Department; supervise the accounting work of any and all Town accounting employees at the direction and approval of the Town Manager; and copy Town Manager on all communications to Town Council.**
- **Oversee the preparation and maintenance of various accounting tasks for the Town including:**
 - **Cash receipts**
 - **Cash disbursements**
 - **General ledger**
 - **Accounts receivable journals and ledgers**
 - **Reconciliation of bank accounts and investment ledgers**
 - **Development fee records and coordination of billing of same**
 - **Payroll, including review of payroll processing by Town employees**
- **Manage and maintain detail records of all cash funds of the Town in accordance with the Town's investment policy as directed by Council.**
- **Prepare monthly compiled financial statements and applicable supplemental schedules or as requested by the Town's Council.**
- **Prepare schedule of cash flow needs to coordinate Town cash deposits and arrange wire transfers as necessary.**
- **In consultation with the Town Manager, prepare the annual Town budget and ensure its filing; monitor expenditures to assist Town personnel in avoiding exceeding appropriated expenditures; ensure the preparation and filing of the Town's mill levy certification with the Board of County Commissioners.**
- **Prepare annual long-term projections of the Town's cash flows for internal use.**
- **Prepare all necessary audit schedules and draft annual financial statements with footnotes for use by the Town's independent auditors.**
- **Monitor compliance with bond/loan indentures and trust agreements; ensure all required continuing disclosure accounts are prepared and filed.**
- **Annually and concurrently with the Town's and TDA's budget preparation, review Town financial policies to ensure compliance thereof; recommend in consultation with the Town Manager, any changes to financial policies for Town Council's/TDA Board's consideration and approval.**
- **Oversee and monitor financial policies and procedures adopted by the Town.**
- **Manage and oversee the Town's banking services relationship and services provided by Town's banking institution(s).**
- **Attend staff meetings and Town/TDA regular and work session meetings at the request of the Town Manager.**
- **Prepare Town resolutions and Town ordinances and Town Council/Board communications as may be required.**
- **Perform other accounting and finance roles typical of the municipal Finance Director normal duties.**

EXHIBIT B SPECIAL PROVISIONS

Preparation services

We will prepare monthly (or as requested) financial statements of the Town. Management agrees that each page of the monthly or quarterly financial statements will include the following statement: "No assurance is provided on these financial statements. Substantially, all required disclosures, the government wide financial statements, and the statement of revenues, expenditures, and changes in fund balances—governmental funds have been omitted. In addition, the annual budget information excludes required summaries or significant assumptions and accounting policies."

If an audit is required, we will prepare the year-end financial statements of the governmental activities, the business-type activities (if applicable), the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the Town, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the Town's auditors.

Compilation services

We will prepare the annual budget (for the subsequent year) of revenues, expenditures, and fund balances, including the estimate of comparative information (for the current year) and the actual comparative information (for the prior year), in the format prescribed by Colorado Revised Statutes C.R.S. 29-1-105, and perform a compilation engagement with respect to the annual budget.

Engagement objectives and our responsibilities

The objectives of our engagement are to:

- a. Prepare monthly financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP identified above, based on information provided by you and information generated through our outsourced accounting services.
- b. Apply accounting and financial reporting expertise to assist you in the presentation of monthly financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.
- c. Prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 based on information provided by you.
- d. Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the annual budget in order for the annual budget to be in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.

- e. If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.

We will conduct our preparation and compilation engagements in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Our report

As part of our monthly preparation engagement, each page of the financial statements will include the following statement: "No assurance is provided on these financial statements. Substantially, all required disclosures, the government wide financial statements, and the statement of revenues, expenditures, and changes in fund balances –governmental funds have been omitted. In addition, the annual budget information excludes required summaries or significant assumptions and accounting policies."

The report on the annual budget will state that management is responsible for the accompanying budget (for the subsequent year) of revenues, expenditures, and fund balances, including the estimate of comparative information (for the current year) and the actual comparative information (for the prior year) in the format prescribed by Colorado Revised Statutes C.R.S. 29-1-105, that we performed a compilation of the annual budget, that we did not audit or review the annual budget, and that, accordingly, we do not express an opinion, a conclusion, not provide any form of assurance on it. The report will also state that the budget is presented in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilations of your financial statements, the annual budget, or the year-end financial statements, we will not issue reports on such statements, the annual budget, or the year-end financial statements, as a result of this engagement.

No assurance statement

The year-end financial statements prepared for use by the Town's auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial statements will include a statement clearly indicating that no assurance is provided on them.

Management responsibilities

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.

We are required by professional standards to identify management's responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the Town's operations, and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a. The selection of the financial reporting framework to be applied in the preparation of the financial statements and the annual budget.
- b. The preparation and fair presentation of the financial statements in accordance with U.S. GAAP, except as identified above, and the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105. The presentation of the supplementary information.
- c. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and the annual budget that are free from material misstatement, whether due to fraud or error.
- d. The prevention and detection of fraud.
- e. To ensure that the Town complies with the laws and regulations applicable to its activities.
- f. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- g. To provide us with the following:
 - i. Access to all information relevant to the preparation and fair presentation of the financial statements and the annual budget such as records, documentation, and other matters.
 - ii. Additional information that may be requested for the purpose of the engagement.
 - iii. Unrestricted access to persons within the Town with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements and the annual budget (items a, b, c, and d).

For all accounting services we may provide to you, including the preparation of your financial statements and the annual budget, management agrees to assume all management responsibilities; oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Cash and Cash Equivalents

You have requested CLA to performed tasks that will require handling of cash or cash equivalents.

CLA responsibilities

CLA shall be authorized to do:

- Administrator access/responsibilities to your bank accounts for purposes of performing the duties documented in the agreement identified above.
- Review invoices received from your vendors and review payments of such invoices either by check or electronic transfer.
- Release of payroll (direct deposits to employee accounts).
- Setup and/or approve or release of wires/fund transfers/ACH to be drawn upon your bank accounts.
- Upload Positive Pay files into your bank and authorize release of exceptions.
- Review of bank reconciliation prepared by Town Accountant.

Management responsibilities

Notwithstanding the foregoing, the Town's Council and Management shall remain responsible for the processes below:

- Approve all invoices and payments.
- Approve all new vendors and customers added to the Town's accounts payable system.
- Approve all new employees and all employee status/changes added to the Town's payroll system.
- Delegate bank access and banking activities to CLA as described above.
- Delegate the review and approval of monthly bank reconciliations to CLA.

Other fees

You also agree to compensate us for any time and expenses, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf. You and your attorney will receive a copy of every subpoena or request we are asked to respond to.

Municipal advisors

CliftonLarsonAllen Municipal Advisors ("CLAMA") is a registered municipal advisor. Municipal advisor services provided by CLAMA will be covered by a separate engagement letter.

The Town is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 15B of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty pursuant to Section 15B of the Act to you with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Employment provision

In the event that a CLA employee is solicited to work in a position as an employee of your Town, and in the event that the CLA employee accepts the position of employment with your Town, the following conditions will apply:

1. CLA will require a four-week notice period subsequent to the employee's written notice to CLA, and
2. The Town will be required to pay an employment fee of \$60,000 to CLA immediately upon receipt of this notice.

If any former CLA employee shall be hired as an employee within 60 days of leaving CLA, there shall be a rebuttable presumption that the CLA employee was solicited to work as an employee of your Town and the above fee shall be payable to CLA.

Fees, time estimates, and terms

Our fees for these services will be based on the terms as outlined in the agreement. Out of scope services provided on behalf of the Town will be billed based on hourly rates. The hour rates currently in effect for our services are as follows:

Principal	\$300 - \$400
Chief Financial Officer	\$200 - \$365
Controller	\$180 - \$200
Senior	\$140 - \$160
Staff	\$80 - \$145
Administrative Support	\$80 - \$100

Rate changes may be proposed to the Town from time to time and, if approved by the Town, will be set forth in an addendum.