

## PROFESSIONAL SERVICES AGREEMENT

**THIS PROFESSIONAL SERVICES AGREEMENT** (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024 (the “Effective Date”), by and between the California Electronic Recording Transaction Network Authority (“CeRTNA”), and Nigro & Nigro, PC, a California professional accountancy corporation (“Professional”). CeRTNA and Professional may herein be referred to individually as a “Party” and collectively as the “Parties.” There are no other parties to this Agreement.

### RECITALS

**A.** CeRTNA seeks to hire an independent contractor to audit CeRTNA’s basic financial statements for the 2023-2024, 2024-2025, and 2025-2026 fiscal years ending on June 30 (the “Project”).

**B.** Professional has submitted a proposal to CeRTNA to provide such professional services. A description of the services Professional proposes to provide (“Services”) is attached hereto as **Exhibit A: Services**. CeRTNA desires to retain Professional to perform the Services, subject to the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth below, the Parties agree as follows:

### AGREEMENT

**Section 1. Recitals.** The recitals set forth above (“Recitals”) are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 32 of this Agreement, Section 1 through 32 shall prevail.

**Section 2. Term.** This Agreement shall be effective on the Effective Date of this Agreement and will continue in effect until June 30, 2025 (“Initial Term”). This Agreement shall renew for two successive one (1) year renewal terms (each a “Renewal Term”) unless the Agreement is terminated earlier pursuant to the terms below. The Initial Terms and any Renewal Terms are collectively referred to herein as the “Term.”

**Section 3. Responsibilities of Parties.** Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless specified otherwise in this Agreement, neither Party shall be responsible for the service of the other.

**Section 4. Work.**

**4.1. Services.** Subject to the terms and conditions set forth in this Agreement, Professional shall provide CeRTNA the Services described in **Exhibit A**. If any conflicts exist between the terms of this Agreement and Exhibit A, the terms of this Agreement shall control. Any request for Services not included in **Exhibit A** will be considered a request for additional or modified Services (“Modification” or “Modifications”). Professional shall not receive additional compensation for any Modification of the Services unless the Parties agree otherwise in a writing executed by both Parties.

**4.2. CeRTNA Requested Modification of Services.** CeRTNA may, by written order, authorize Modifications to the Services described in **Exhibit A**. If such Modifications cause an increase in the cost or time required for performance of Professional’s Services, the Parties shall enter into a written amendment to this Agreement to adjust the Services and the rates to be paid to Professional. The Services shall not be revised unless CeRTNA and Professional mutually agree to a written amendment to this Agreement reflecting such revisions, additional compensation, time for performance, or such other terms or conditions mutually agreed upon by the Parties.

**4.3. Professional Requested Modification in Services.** Professional shall not be compensated for work outside the Services described in this Agreement, unless, prior to the commencement of the Services:

(a) Professional provides CeRTNA with written notice that specific work requested by CeRTNA or required to complete the Project is outside the agreed upon Services. Such notice shall: (i) be supported by substantial evidence that the work is outside the Services; and (ii) set forth the Professional’s proposed course of action for completing the work and a specific request for CeRTNA to approve the Modification to the Services; and

(b) CeRTNA agrees that the work requires a Modification;

(c) The Parties execute a written amendment to this Agreement describing any Modification. Compensation for any additional Services shall not exceed Two-HundredDollars (\$200) per hour.

## **Section 5. Compensation.**

**5.1. Amount, Time, and Manner of Payment for Professional Services.** CeRTNA’s total compensation to Professional for the Initial Term shall not exceed Six-Thousand Five Hundred Dollars (\$6,500) (“Maximum Payment”) unless the Parties mutually agree in writing otherwise. CeRTNA’s total compensation to Professional for each Renewal Term shall not exceed Six-Thousand Five Hundred Dollars (\$6,500) (“Maximum Payment”) unless the Parties mutually agree in writing otherwise. Professional hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Professional anticipates and that Professional shall not be entitled to additional compensation unless agreed otherwise by the Parties.

**5.2. Subsequent Payments.** CeRTNA shall make progress payments in the amount invoiced by Professional within thirty (30) calendar days of receiving such invoice. In the event

that an amount of an invoice is in dispute, CeRTNA shall inform Professional of the amount and basis for the dispute and may withhold the amount which is in dispute until the dispute has been resolved.

**5.3. Invoices.** Professional shall provide CeRTNA with progress invoices sufficiently evidencing Professional's expenses and completion of the Services. All invoices furnished to CeRTNA by Professional shall be in a form approved by CeRTNA. The payments specified shall be the only payments made to Professional for performance of the Services, including compensation for any Modification. Professional shall submit all billings for Services to CeRTNA within forty-five (45) days of the performance of such Services. CeRTNA shall issue payment according to CeRTNA's customary procedures and practices for issuing payments to independent contractors. Professional's work may be suspended if CeRTNA's account becomes 60 days or more overdue and may not be resumed until CeRTNA's account is paid in full.

**5.4. Reimbursement.** Should any litigation or adverse action (such as audits by outside governmental agencies and/or threatened litigation, etc.) by third parties arise against CeRTNA or its board of directors subsequent to this engagement, which results in the subpoena of documents from Professional and/or requires additional assistance from Professional to provide information, depositions or testimony, CeRTNA hereby agrees to compensate Professional (at Professional's standard hourly rates) for additional time charges and other costs (copies, travel, etc.), and to indemnify Professional for any attorney's fees to represent Professional. Such reimbursable costs shall be invoiced and billed to CeRTNA on a monthly basis, provided that in no event shall reimbursable expenses exceed Five-Thousand Dollars (\$5000).

**Section 6. Commencement of Work.** Scheduling of the Audit Final-Fieldwork Dates will be based on an agreed-upon timetable. Professional shall not commence the performance of the Services prior to the date in the agreed-upon timetable, and any costs incurred by Professional prior to this date shall be at Professional's expense. CeRTNA shall prepare a completed and finalized Trial Balance and General Ledger in Excel form as of June 30, 2024, for the Initial Term, with all Balance Sheet accounts properly reconciled in Excel or PDF form and uploaded into the Suralink Portal System by the date scheduled.

**Section 7 Time of Performance.** Professional will commence performance of the Services according to the agreed-upon timetable. The time of performance is a material term of this Agreement relied on by CeRTNA in entering into this Agreement.

**Section 8. Professional's Resources.** Professional shall, at its sole cost and expense, furnish all facilities, equipment, materials, information, personnel, and administrative assistance which may be required to perform its obligations under this Agreement.

**Section 9. Duties of CeRTNA.** In order to permit Professional to render the services required hereunder, CeRTNA shall, at its expense and in a timely manner: (a) Provide such information as Professional may reasonably require to undertake or perform the Services; (b) Promptly review any and all documents and materials submitted to CeRTNA by Professional in order to avoid

unreasonable delays in Professional's performance of the Services; and (c) Promptly notify Professional of any fault or defect in the performance of Professional's services hereunder.

**Section 10. Time and Personnel Devoted to Services.** Professional shall devote such time and personnel to the performance of this Agreement, as is necessary to perform the Services in compliance with this Agreement.

**Section 11. Performance by Qualified Personnel; No Subcontracting.** Services under this Agreement shall be performed only by competent personnel under the supervision and direct employment of Professional. Professional will conform with CeRTNA's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at CeRTNA's request, shall be supervised by Professional. Professional is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is expressly approved by CeRTNA in writing. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of the other Party. An agreement made in violation of this provision shall confer no rights on any Party and shall be null and void.

**Section 12. Representations of Professional.** CeRTNA relies upon the following representations by Professional in entering into this Agreement:

**12.1. Qualifications.** Professional represents that it is qualified to perform the Services provided in **Exhibit A** and that it possesses the necessary licenses and permits required to perform the Services or will obtain such licenses or permits prior to the time such licenses or permits are required. Professional shall also ensure that all subcontractors are similarly licensed and qualified. Professional represents and warrants to CeRTNA that Professional shall, at Professional's sole cost and expense, keep in effect or obtain at all times during the Term of this Agreement, any licenses, permits, and approvals which are legally required for Professional to practice Professional's profession at the time the Services are rendered.

**12.2. Professional Performance.** Professional represents that all Services under this Agreement shall be performed in a manner consistent with the professional skill and care ordinarily provided by consultants practicing in the same or similar locality under the same or similar circumstances. Professional shall perform its services as expeditiously as is consistent with such professional skill and care and as necessary for the orderly progress of the Project. Professional agrees that, if a Service is not so performed, in addition to all of its obligations under this Agreement and at law, Professional shall re-perform or replace unsatisfactory Service at no additional expense to CeRTNA.

**12.3. No Waiver of Claims.** The granting of any progress payment by CeRTNA, or the receipt thereof by Professional, or any inspection, review, approval or oral statement by any representative of CeRTNA, or state certification shall not, in any way, waive, limit, or replace any certification or approval procedures normally required or lessen the liability of Professional to re-perform or replace unsatisfactory Service, including, but not limited to, cases where the unsatisfactory character of such Service may not have been apparent or detected at the time of such payment, inspection, review or approval.

**12.4. CeRTNA's Remedies are Cumulative.** Nothing in this Section shall constitute a waiver or limitation of any right or remedy, whether in equity or at law, which CeRTNA or Professional may have under this Agreement or any applicable law. All rights and remedies of CeRTNA, whether under this Agreement or applicable law, shall be cumulative.

**12.5. No Conflict of Interest.** Professional represents that no conflict of interest will be created under state or federal law by entering into or in carrying out this Agreement.

**Section 13. Conformity with Law and Safety.** Professional shall observe and comply with all applicable laws, ordinances, codes, regulations, and permits of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the Americans with Disabilities Act, any copyright, patent, or trademark law, and all other applicable federal, state, municipal and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. All Services performed by Professional must be in accordance with these laws, ordinances, codes, and regulations, including the administrative policies and guidelines of CeRTNA pertaining to the work. Professional's failure to comply with any laws, ordinances, codes, or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

**Section 14. Contact by Professional with Project Owner or Project Applicant.** Unless otherwise set forth in the Services, neither Professional nor Professional's subcontractors shall directly contact an employee or contractor of CeRTNA on any matter relating to the Project without the prior consent of CeRTNA. In no event shall Professional take any instructions or directions from a CeRTNA employee or contractor on any matter pertaining to the Professional's Services to be performed for CeRTNA under this Agreement without prior authorization from the CeRTNA Executive Director.

**Section 15. Confidentiality.** Professional understands and agrees that, in the performance of Services under this Agreement or in the contemplation thereof, Professional may have access to private or confidential information that may be owned or controlled by CeRTNA and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to CeRTNA ("Confidential Information").

Professional shall not, either during or after the Term, disclose to any third party any Confidential Information without the prior written consent of CeRTNA. If CeRTNA gives Professional written authorization to make any such disclosure, Professional shall do so only within the limits and to the extent of that authorization. Professional may be directed or advised by CeRTNA's General Counsel on various matters relating to the performance of the Services on the Project or on other matters pertaining to the Project and, in such event, Professional agrees that it will treat all communications between itself, its employees and its subcontractors as being communications which are within the attorney-client privilege.

Notwithstanding the foregoing, Professional may disclose Confidential Information required to be disclosed under law, provided that, prior to disclosure, Professional shall first give notice to CeRTNA and make a reasonable effort to obtain a protective order requiring that CeRTNA's Confidential Information not be disclosed. This exception is limited to the extent disclosure is required under law.

**Section 16. Ownership of Work Product.** Any and all work, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, designs, specifications, drawings, diagrams, surveys, source codes, professional or technical information or data, photographs, notes, letters, emails or any original works of authorship created by Professional or its subcontractors or subcontractors in connection with Services performed under this Agreement ("Products") shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of CeRTNA. In the event it is ever determined that any Product created by Professional or its subcontractors, or subcontractors under this Agreement, are not works for hire under U.S. law, Professional hereby assigns all copyrights to such Products to CeRTNA. With the prior written approval of CeRTNA's point of contact for the Project, Professional may retain and use copies of such Products for reference and as documentation of its experience and capabilities.

All Products shall become the property of CeRTNA irrespective of where located or stored, and Professional agrees to deliver all such documents and information to CeRTNA, without charge and in whatever form it exists, on the completion of the Professional's Services hereunder. Professional shall have no ownership interest in such Products.

All work product of Professional under this Agreement, including written information which CeRTNA will cause to be distributed for either internal or public circulation, including both preliminary and final drafts, shall be delivered to CeRTNA in both printed and electronic form, or as may be specified in **Exhibit A**.

Upon the conclusion of the Term or in the event of Termination, Professional agrees, at its expense and in a timely manner, to return to CeRTNA all documents, drawings, photographs and other written or graphic material, however produced, that it received from CeRTNA, its contractors, or agents, in connection with the performance of its Services under this Agreement. All materials shall be returned in the same condition as received.

**Section 17. Assignment Prohibited.** No Party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempt or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

**Section 18. Excusable Delays; Notice to Other Party of Delay.** Professional shall not be in breach of this Agreement in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, explosion, natural disasters such as floods, earthquakes, landslides, fires, strikes, lockouts and other labor disturbances or other catastrophic events, which are beyond the reasonable control of Professional. Force Majeure does not include: (a) Professional's financial inability to perform; (b) Professional's failure to obtain any necessary permits or licenses from

other governmental agencies; or (c) Professional's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the Professional. Professional shall within ten (10) days of the commencement of such delay notify CeRTNA in writing of the causes of the delay. CeRTNA shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if in the judgment of CeRTNA such delay is justified. CeRTNA's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Professional be entitled to recover damages against CeRTNA for any delay in the performance of this Agreement, however caused, Professional's sole remedy being extension of the Agreement pursuant to this Section.

**Section 19. Suspension of Services by CeRTNA.** CeRTNA reserves the right to suspend Professional's Services under this Agreement when CeRTNA determines that it is necessary to do so. When possible, CeRTNA shall give Professional notice of such suspension and Professional shall, upon receipt of said notice, suspend all Services except any Services, the completion of which is authorized by the notice given by CeRTNA. If the Services are suspended by CeRTNA for more than sixty (60) consecutive days, for reasons other than the fault of the Professional, the Professional shall be compensated for Services performed prior to notice of such suspension. When the Project is resumed, the Professional's compensation shall be equitably adjusted by CeRTNA to provide for expenses incurred by the interruption of the Services. In this regard, Professional shall furnish to CeRTNA such financial information that, in the judgment of the CeRTNA Executive Director, is necessary to determine the reasonable value of the Services rendered by Professional during the period when Services were suspended.

**Section 20. Termination of Work by CeRTNA for Its Convenience.** CeRTNA shall have the right to terminate this Agreement at any time for its convenience by giving notice of such termination to Professional ("Termination"). In the event CeRTNA shall give such notice of termination, Professional shall cease rendering Services upon receipt of said notice given as required in this Agreement. If CeRTNA terminates this Agreement:

(a) Professional shall deliver copies of all Products prepared by it pursuant to this Agreement.

(b) If CeRTNA terminates this Agreement for convenience before Professional commences any Services hereunder, CeRTNA shall not be obligated to make any payment to Professional. If CeRTNA terminates this Agreement after Professional has commenced performance under this Agreement, CeRTNA shall pay Professional the reasonable value of the Services rendered by Professional pursuant to this Agreement prior to termination of this Agreement. CeRTNA shall not in any manner be liable for Professional's actual or projected lost profits had Professional completed the Services. Professional shall furnish to CeRTNA such financial information that, in the judgment of the CeRTNA Manager, is necessary to determine the reasonable value of the Services rendered by Professional prior to termination.

(c) Except as provided in this Agreement, in no event shall CeRTNA be liable for costs incurred by or on behalf of Professional after the date of the notice of termination.

(d) Notwithstanding this Section, this Agreement may be terminated by CeRTNA for cause based on the loss or suspension of any licenses, permits or registrations required for the continued provision of the Services, or Professional's malfeasance. Termination of the Agreement for cause as set forth in this Section shall relieve CeRTNA from compensating Professional.

**Section 21. Assurance of Performance.** If, at any time, CeRTNA believes Professional may not be adequately performing its obligations under this Agreement or may fail to complete the Services as required by this Agreement, CeRTNA may submit a written request to Professional for written assurances of performance and a plan to correct observed deficiencies in Professional's performance. Failure to provide written assurances subsequent to such written request constitutes grounds to declare a breach under this Agreement.

**Section 22. Cancellation for Breach by Either Party.** Should either Party fail to substantially perform its obligations in accordance with the provisions of this Agreement, the other Party shall thereupon have the right to cancel the Agreement by giving written notice and specifying the effective date of such cancellation. If CeRTNA cancels this Agreement for breach and it is subsequently determined that Professional did not fail to substantially perform its obligations in accordance with this Agreement, then cancellation for breach by CeRTNA shall be deemed, and treated, as termination for convenience.

Neither Party waives the right to recover damages against the other for breach of this Agreement, including any amount necessary to compensate CeRTNA for all detriment proximately caused by Professional's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. CeRTNA reserves the right to offset such damages against any payments owed to Professional.

CeRTNA shall not in any manner be liable for Professional's actual or projected lost profits had Professional completed the Services required by this Agreement.

**Section 23. Conflict Resolution.** In the event of any dispute between the Parties to this Agreement, the Parties agree to first negotiate in good faith toward a resolution with participation by representatives of each Party holding sufficient authority to resolve the dispute. If such dispute cannot be resolved within fifteen (15) business days, the dispute shall be submitted to mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting as a condition precedent to initiating formal litigation.

CeRTNA and Professional both agree that any dispute over fees charged by the Professional to CeRTNA will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of California. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, THE PARTIES ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE PROFESSIONAL, THE PARTIES ARE GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD ACCEPT THE USE OF ARBITRATION FOR RESOLUTION. The prevailing party shall be entitled to an



award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

**Section 24. Insurance Coverage.** During the Term, the Professional shall maintain in full force and effect policies of insurance set forth herein, which shall be placed with insurers with a current A M Best's rating of no less than A VII and will provide CeRTNA with written proof of said insurance. Professional shall maintain coverage as follows:

**24.1. General Liability.** Professional shall carry general liability insurance in the amount of Two Million Dollars (\$2,000,000.00) per occurrence for bodily injury, personal injury, and property damage. If commercial general liability insurance or another form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Project or the general aggregate shall be Two Million Dollars (\$2,000,000.00).

**24.2. Workers' Compensation Insurance and Employer's Liability.** Professional shall carry workers' compensation insurance as required by the State of California under the Labor Code. Professional shall also carry employer's liability insurance in the amount of One Million Dollars (\$1,000,000.00) per accident, with a One Million Dollar (\$1,000,000.00) policy limit for bodily injury by disease, and a One Million Dollar (\$1,000,000.00) limit for each employee's bodily injury by disease.

**24.3. Errors and Omissions Liability.** Professional shall carry errors and omissions liability insurance in the amount of no less than Two Million Dollars (\$2,000,000.00) per claim or greater if appropriate for the Professional's profession. Any deductibles or self-insured retentions must be declared to and approved by CeRTNA. At the option of the CeRTNA, either the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the CeRTNA, elected and appointed councils, commissions, directors, officers, employees, agents, and representatives ("CeRTNA's Agents"); or the Professional shall provide a financial guarantee satisfactory to the CeRTNA guaranteeing payment of losses and related investigations, claims administration and defense expenses.

**24.4. Commercial Automobile Liability.** Professional shall carry commercial automobile liability insurance in the amount of One Million Dollars (\$1,000,000) or greater per occurrence for owned, leased, hired, and borrowed automobiles.

**24.5. Waiver of Subrogation.** With the exception of errors and omissions liability insurance, Professional hereby agrees to waive subrogation which any insurer of Professional may acquire from Professional by virtue of the payment of any loss. The commercial general liability policy and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of CeRTNA for all work performed by Professional, its agents, employees, independent contractors, and subcontractors. Professional agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

**Section 25. Additional Insurance Requirements.** Within five (5) days of the commencement of the Term, Professional shall provide CeRTNA with certificates of insurance for all of the policies required under this Agreement ("Certificates"), excluding the required workers'

compensation insurance. Such Certificates shall be kept current for the Term of the Agreement and Professional shall be responsible for providing updated copies and notifying CeRTNA if a policy is cancelled, suspended, reduced, or voided. With the exception of the workers' compensation and errors and omissions liability insurance, all of the insurance policies required in this Agreement shall:

(a) Provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to CeRTNA of such cancellation, expiration, or reduction and each policy shall be endorsed to state such;

(b) Name CeRTNA, and CeRTNA's Agents as additional insureds with respect to liability arising out of Services, work, or operations performed by or on behalf of Professional;

(c) Cover products and completed operations of Professional, premises owned, occupied, or used by the Professional, or automobiles owned, leased, or hired or borrowed by the Professional; contain no special limitations on the scope of protection afforded to CeRTNA;

(d) Be primary with respect to any insurance or self-insurance programs covering CeRTNA or CeRTNA's Agents and any insurance or self-insurance maintained by CeRTNA or CeRTNA's Agents shall be in excess of Professional's insurance and shall not contribute to it;

(e) Contain standard separation of insured provisions; and

(f) State that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to CeRTNA.

**Section 26. Indemnification by Professional.** To the fullest extent permitted by law (including, without limitation, California Civil Code sections 2782 and 2782.8), Professional shall indemnify and hold harmless CeRTNA and CeRTNA's appointed and elected officials, officers, employees, representatives, and volunteers ("CeRTNA's Agents") from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Professional or its subcontractors), expense and liability of every kind, nature and description to the extent they arise out of, pertain to, or relate to the willful misconduct or negligent acts or omissions of Professional, or any direct or indirect subcontractor, employee, contractor, representative or agent of Professional, or anyone that Professional controls (collectively "Liabilities"). Such obligations to hold harmless and indemnify CeRTNA and CeRTNA's Agents shall not apply to the extent that such Liabilities are caused in whole by the sole negligence, active negligence, or willful misconduct of CeRTNA and CeRTNA's Agents. With respect to third party claims against the Professional, Professional waives any and all rights of any type of express or implied indemnity against CeRTNA and CeRTNA's Agents.

**Section 27. Liability of CeRTNA.** Notwithstanding any other provision of this Agreement, in no event shall CeRTNA be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect, or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

**Section 28. Independent Contractor.** At all times during the Term, Professional shall be deemed to be an independent contractor and shall be wholly responsible for the manner in which Professional performs the Services required under this Agreement. Professional shall be liable for its acts and omissions and those of its employees, contractors, subcontractors, representatives, volunteers, and its agents. Nothing contained herein shall be construed as creating an employment, agency, or partnership relationship between CeRTNA and Professional. CeRTNA shall have the right to control Professional only insofar as the result of Professional's Services rendered pursuant to this Agreement; however, CeRTNA shall not have the right to control the means by which Professional accomplishes Services rendered pursuant to this Agreement.

**Section 29. Professional Not Agent.** Except as CeRTNA may specify in writing, Professional shall have no authority, express or implied, to act on behalf of CeRTNA in any capacity whatsoever as an agent. Professional shall have no authority, express or implied, pursuant to this Agreement to bind CeRTNA to any obligation whatsoever.

**Section 30. Payment of Taxes and Other Expenses.** Payment of any taxes, including California sales and use taxes, levied upon this Agreement, the transaction, or the Services or goods delivered pursuant hereto, shall be the obligation of Professional.

**Section 31. Notices.** Any notice or communication required hereunder between CeRTNA and Professional must be in writing, and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. Notices given by registered or certified mail shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, (b) on the date delivered as shown on a receipt issued by the courier, or (c) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at the addresses in this paragraph set forth below:

If to CeRTNA:

**CeRTNA  
Attn: Executive Director  
701 Ocean St. Room 230  
Santa Cruz, CA 95060  
exec@certna.com**

With courtesy copies to:

**White Brenner LLP  
Attn: Nubia I. Goldstein  
1608 T Street  
Sacramento, CA 95811**

**Nubia@whitebrennerllp.com**

If to Professional:

**Nigro & Nigro, PC**  
**Attn: Paul J Kaymark**  
**25220 Hancock Ave #400**  
**Murrieta, CA 92562**  
**pkaymark@nncpas.com**

**Section 32. General Provisions.**

**A. Modification.** No alteration, modification, or termination of this Agreement shall be valid unless made in writing and executed by all Parties.

**B. Waiver.** No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

**C. Assignment.** No Party shall assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the forgoing provisions, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties.

**D. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of California.

**E. Venue.** Venue for all legal proceedings shall be in the Superior Court of California for the County of Santa Cruz.

**F. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which shall be deemed a single agreement.

**G. Severability.** If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the execution of this Agreement by any Party, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

**H. Audit.** CeRTNA shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Professional's charges to CeRTNA under this Agreement.

**I. Entire Agreement.** This Agreement sets forth the entire understanding between the Parties as to the subject matter of this Agreement and merges all prior discussions, negotiations, proposal letters or other promises, whether oral or in writing.

**J. Supersedes Prior Agreement.** It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, whether written, electronic or oral, between the Parties with respect to the subject matter of this Agreement.

**K. Headings Not Controlling.** Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

**L. Successors and Assigns.** All representations, covenants, and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of, any or all of the Parties hereto, shall be binding upon and inure to the benefit of such Party, its successors and assigns.

**M. Interpretation.** As used herein, any gender includes each other gender, the singular includes the plural and vice versa.

**N. Mandatory and Permissive.** “Shall” and “will” and “agrees” are mandatory. “May” and “can” are permissive.

**O. Attorney’s Fees and Costs.** If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

**Q. Time is of the Essence.** Time is of the essence in this Agreement for each covenant and term of a condition herein.

***[Signatures on Following Page]***

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the last day and date below written.

**CeRTNA:**

**NIGRO & NIGRO, PC:**

By: \_\_\_\_\_  
Rich Sherman, CeRTNA Executive Director

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Nubia I. Goldstein, General Counsel

**EXHIBIT A**

**Services**



October 25, 2024

Board of Directors and Richard Sherman, Executive Director  
California Electronic Recording Transaction Network Authority  
701 Ocean St, Room 230  
Santa Cruz, CA 95060

We are pleased to confirm our understanding of the services we are to provide the California Electronic Recording Transaction Network Authority (Authority) as of and for the year ended June 30, 2024.

### **Audit Scope and Objectives**

We will audit the business-type activities of the Authority, as of June 30, 2024 and for the year then ended and the related notes, which collectively comprise the Authority's basic financial statements as listed in the table of contents of the financial statements.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and, if applicable, in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements will always detect a material misstatement when it exists.

Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information (RSI) such as management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis



We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Auditor Responsibilities**

We will conduct our audit in accordance with GAAS and in accordance with *Government Auditing Standards*. As part of an audit in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
4. Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and in accordance with *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

### **Compliance with Laws and Regulations**

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

## Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a) For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b) For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c) To provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
  - ii. Additional information that we may request from management for the purpose of the audit;
  - iii. Unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence.
  - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
  - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- d) For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- e) For identifying and ensuring that the Authority complies with the laws and regulations applicable to its activities;
- f) For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g) For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h) For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i) For informing us of any known or suspected fraud affecting the Authority involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- j) For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility:

- a) for the preparation of the supplementary information in accordance with the applicable criteria;
- b) to provide us with the appropriate written representations regarding supplementary information;
- c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and
- d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

## **Nonattest Services**

With respect to any nonattest services we perform,

At the end of the year, we agree to perform the following:

- a) Propose adjusting or correcting journal entries detected during the audit, if applicable, to be reviewed and approved by the Authority's management.
- b) Word process the financial statements using information provided by management.

We will not assume management responsibilities on behalf of the Authority. However, we will provide advice and recommendations to assist management of the Authority in performing its responsibilities.

The Authority's management is responsible for:

- a) making all management decisions and performing all management functions;
- b) assigning a competent individual to oversee the services;
- c) evaluating the adequacy of the services performed;
- d) evaluating and accepting responsibility for the results of the services performed; and
- e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- a) We will perform the services in accordance with applicable professional standards
- b) The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise the Authority with regard to tax positions taken in the preparation of the tax return, but the Authority must make all decisions with regard to those matters.

## **Reporting**

We will issue a written report upon completion of our audit of the Authority's basic financial statements. Our report will be addressed to the Board of Directors of the Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

## ***Preparation of State Controller Report*** **Our Responsibilities**

The objective of our engagement is to prepare the annual Financial Transactions Report (FTR) in accordance with the California State Controller's Office Instructions based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the FTR.

Our engagement cannot be relied upon to identify or disclose any FTR misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Authority or noncompliance with laws and regulations.

### Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the FTR in accordance with the State Controller's Office Instructions. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your FTR in accordance with SSARs:

- a) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements
- b) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- c) The prevention and detection of fraud
- d) To ensure that the Authority complies with the laws and regulations applicable to its activities
- e) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements
- f) To provide us with:
  - i. Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
  - ii. Additional information that may be requested for the purpose of the preparation of the financial statements, and
  - iii. Unrestricted access to persons of whom we determine necessary to communicate.

As part of our engagement, we will issue a disclaimer that will state that the FTR were not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

### Engagement Fees

Our fixed fees for the services previously outlined will be as follows:

Financial Statements and Auditor Reports	\$6,000
Preparation of the State Controller's Report	500
<b>Total</b>	<b>\$6,500</b>

If significant changes occur in the Authority's audit requirements with the implementation of new Governmental Accounting Standards Board (GASB) Standards, Government Auditing Standards or the Audit and Accounting Guide for State and Local Governments issued by the AICPA for attest and/or nonattest services, this may render additional services needed which may increase the above noted fixed fee.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if the Authority's account becomes 60 days or more overdue and may not be resumed until the Authority's account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. The Authority will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from Authority personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate before we incur the additional costs.

Additionally, our fees are dependent on the availability, quality, and completeness of the Authority's records and, where applicable, upon the Authority's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., Authority employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.).

We will schedule the engagement based in part on deadlines, working conditions, and the availability of Authority key personnel. We will plan the engagement based on the assumption that Authority personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, Authority personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

If circumstances occur related to the condition of Authority records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate as soon as reasonably practicable.

### **Other Engagement Matters**

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

**Paul J Kaymark, CPA** is the engagement partner responsible for supervising the engagement and signing the report.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

The audit documentation for this engagement is the property of the Authority and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulatory agencies pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Nigro & Nigro, PC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulatory agencies. The regulatory agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will notify the Authority of any such request.

### **Conflict Resolution**

Should any litigation or adverse action (such as audits by outside governmental agencies and/or threatened litigation, etc.), by third parties arise against the Authority or the board of directors subsequent to this engagement, which results in the subpoena of documents from Nigro & Nigro, PC and/or requires additional assistance from us to provide information, depositions or testimony, the Authority hereby agrees to compensate Nigro & Nigro, PC (at our standard hourly rates) for additional time charges and other costs (copies, travel, etc.), and to indemnify us for any attorney's fees to represent Nigro & Nigro, PC.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

The Authority and Nigro & Nigro, PC both agree that any dispute over fees charged by the auditor to the Authority will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of California. Such arbitration shall be binding and final. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.** The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

### **Conclusion**

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

- a) Our view about the qualitative aspects of the Authority's significant accounting practices;
- b) Significant difficulties, if any, encountered during the audit;
- c) Uncorrected misstatements, other than those we believe are trivial, if any;
- d) Disagreements with management, if any;
- e) Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- f) Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- g) Representations we requested from management;
- h) Management's consultations with other accountants, if any; and
- i) Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report on the most recent peer review of our firm.

We appreciate the opportunity to provide these services and believe this letter accurately summarizes the significant terms of our engagement.

Very truly yours,

Nigro & Nigro, PC

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_