

August 3, 2018

The Honorable Mayor Nancy Rossi
City of West Haven, Connecticut

Dear Mayor Rossi:

Thank you for the opportunity for UHY Advisors N.E., LLC (UHY Advisors) to provide consulting services to the City of West Haven, Connecticut (the City). This engagement letter, and the related General Terms and Conditions contained in Appendix A attached (collectively, the "Agreement"), is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide the City.

We will assist the City with the preparation of the City's five year recovery plan and submission to the Municipal Accountability Review Board (MARB) for the City, Water Pollution Control, and the West Haven Fire Department – Allingtown. We will provide support services in the preparation of the five year recovery plan as determined and directed by the Mayor.

In performing our engagement, we will be relying on the accuracy and reliability of information provided by City personnel. We will not perform an audit, examination or review of the information, in accordance with the standards established by the American Institute of Certified Public Accountants, and as such we will not express an opinion or any form of assurance on the information. Due to the nature of the consulting process our services cannot be relied upon to disclose errors, irregularities, or illegal acts including fraud or defalcation that may exist. The procedures we perform in our engagement will be heavily influenced by the representations that we receive from City personnel. Accordingly, false representations could cause inaccurate findings and therefore, inappropriate recommendations may be developed and critical recommendations may go unidentified. By signing this Agreement, you indicate you understand and accept responsibility for the accuracy and completeness of information provided to us by City personnel.

Since the services to be performed will not constitute an audit made in accordance with auditing standards generally accepted in the United States of America, we will not express an opinion on any of the items specified in the reports issued or on the financial statements of City taken as a whole. The work will be performed in accordance with American Institute of Certified Public Accountants' (AICPA) Consulting Standards.

The work papers for this engagement constitute confidential information and will be retained by UHY Advisors or at the City. However, we may be requested to make certain work papers available to regulatory agencies pursuant to authority given to them by law or regulation. If requested, full and timely access to such work papers will be provided under the supervision of UHY Advisors personnel. Upon request, employees authorized by the City will have full and timely access to our work papers for review. Copies of specified work papers will be provided upon request. We will maintain the work papers retained by UHY Advisors for seven years. It is agreed by the City that any work papers retained at the City for this engagement will be held for a period of seven years.

Management agrees to perform the following in connection with this engagement:

- Make all management decisions and perform all management functions;
- Designate an individual who possesses suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services performed by UHY Advisors;
- Evaluate the adequacy and results of the services performed by UHY Advisors; and
- Accept responsibility for the results of the services performed by UHY Advisors.

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UHY Advisors will not perform management functions, make management decisions, or act or appear to act in a capacity equivalent to that of a member of management or an employee and, if applicable, will comply with the AICPA, U.S. Securities and Exchange Commission (SEC), Public Company Accounting Oversight Board (PCAOB), or regulatory independence guidance.

The information that we obtain in performing consulting services is confidential, as required by the AICPA Code of Professional Conduct.

Our fees for these services are based upon time expended. Our standard rates range from \$170 to \$450 an hour. However, we will discount our rates for this engagement to the rate of \$125 for staff, \$150-175 for senior staff and seniors, \$225-\$250 for managers and principals, and \$300 for partners, per hour. It is our intention to complete all assigned tasks as soon as possible upon receiving a signed engagement letter.

Our fees are not contingent on any outcome achieved as a result of our services. If this Agreement is terminated prior to the completion of work specified herein, you will be charged for the hours spent and expenses incurred up to the termination date.

Our invoices for these fees will be billed weekly and are due and payable within 14-days the invoice date. Invoices will be rendered on completed work, as work progresses. We reserve the right to terminate our performance of further services should any amount invoiced by us remain unpaid and outstanding in excess of 14 days from the applicable invoice date. The City acknowledges and agrees that we are not required to continue work in the event of the City's failure to pay on a timely basis for services rendered as required by this Agreement. The City further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of the City's failure to pay on a timely basis for services rendered as required by this Agreement, we shall not be liable to the City for any damages that occur as a result of our ceasing to render services.

This engagement includes only those services specifically described in this Agreement. We will meet with management weekly at an agreed upon date and time to review our progress, and any issues encountered. We will discuss and seek approval if we anticipate the scope of work will exceed the procedures contained in the work program are going to be necessary. To the extent that City personnel complete any work steps, we will evaluate the adequacy of such work product and will incorporate into our work plan so as not to duplicate efforts.

As a part of this arrangement, the City agrees to hold harmless and indemnify UHY Advisors, its parent and affiliates, and all directors, officers, partners, members, managers, employees, agents and representatives of any thereof, from and against any and all claims, liabilities, damages, obligations, costs and expenses (including, without limitation, attorneys' fees and costs of litigation) relating to, arising out of or in connection with the performance by UHY Advisors of the services under this Agreement, including without limitation, any fines or penalties imposed by any state or federal government agency, unless it is determined that such claim, liability, cost or expense was caused solely by UHY Advisors' negligence. The City further agrees that, in the event of any claim against UHY Advisors for damages under this Agreement, UHY Advisors shall not be responsible under any circumstances for damages that are incidental, consequential, punitive, special, or otherwise other than direct and actual in nature.

In accordance with the requirements as specified by the AICPA Code of Professional Conduct Rule 1.700, UHY Advisors will protect, safeguard and dispose of any and all customer and consumer information received from the City. In furtherance of the foregoing, we have implemented, and will maintain during the term of the engagement described herein, a commercially reasonable information security program designed to protect personal information, which program includes administrative, technical and physical safeguards. We will not disclose any customer consumer information obtained from the City during our engagement to any third party except as necessary to perform the assigned tasks under the terms of this

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Agreement, as required by applicable federal or state law and as required by any regulatory agency or peer review group of the City or UHY Advisors. As soon as practical and without unreasonable delay, UHY Advisors will notify the City of any incident of unauthorized access to the City's customer and/or consumer information.

As a result of our prior or future services to the City, we might be requested to provide information or documents to the City or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to the City as a separate engagement at our standard hourly rates. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request and expenses incurred.

It is agreed by the City and UHY Advisors of N.E., LLC or any successors in interest that no claim by or on behalf of either party arising out of the services rendered pursuant to this agreement shall be asserted more than one year after the date of a report or one year after the date of termination of UHY Advisors of N.E., LLC's services, whichever occurs first.

Anything to the contrary notwithstanding, this agreement may be terminated by either party at any time, upon 7 days written notice. We shall not be liable to the City for any damages that occur as a result of our ceasing to render services.

The services described in this engagement letter will be governed by our **General Terms and Conditions**, a copy of which is attached and incorporated herein by reference.

This Agreement is effective upon execution by both the City and UHY Advisors and will expire 30 days after completion of all work specified in this Agreement, unless terminated earlier as provided herein.

This Agreement contains the entire understanding of the parties, and supersedes all prior oral, written or other understandings or agreement between the parties. Those provisions which normally survive expiration and termination of an agreement shall survive expiration and termination of this Agreement.

By signing this Agreement, you agree that if any part of this Agreement is found to be non-binding or illegal, all other parts of this Agreement shall remain binding.

We believe this Agreement accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of this engagement as described in this Agreement, please sign the enclosed copy and return it to us.

Very truly yours,


UHY Advisors N.E., LLC



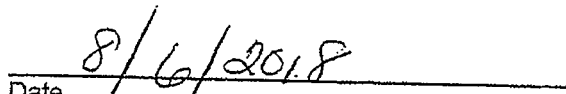
John Salemi
Managing Director

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Accepted and agreed to by The City of West Haven, Connecticut:



Nancy Rossi, Mayor



Date

**APPENDIX A
GENERAL TERMS AND CONDITIONS**

- 1. Entire Agreement.** These General Terms and Conditions and the engagement letter (and its attachments) or the proposal (and its attachments), as the case may be, to which these General Terms and Conditions are attached (collectively, the "Agreement") constitutes the entire agreement between the client (the "Client") to whom such engagement letter is addressed or to whom such proposal is submitted, as the case may be, and UHY Advisors of N.E., LLC, a corporation organized under the laws of the State of Connecticut ("UHY Advisors"), regarding the project described in the engagement letter or the proposal, as the case may be. If UHY Advisors has commenced work in connection with the matters described in the engagement letter (and its attachments) or the proposal (and its attachments), as the case may be, to which these General Terms and Conditions are attached, all provisions in this Agreement for the benefit or protection of either party shall apply to such activities. There are no prior or contemporaneous, oral or written, representations, understandings or agreements which are not fully expressed in this Agreement. No amendment, change order, waiver or discharge shall be valid unless it is in writing and signed by an authorized representative of the party against whom such amendment, change order, waiver or discharge is sought to be enforced. In the event of a conflict between these General Terms and Conditions and the engagement letter (and its attachments) or proposal (and its attachments) to which they may be attached, these General Terms and Conditions shall control.
- 2. Relationship of Parties.** UHY Advisors, in furnishing services to the Client, is an independent contractor. UHY Advisors does not undertake to perform any regulatory or contractual obligation of the Client or to assume any responsibility for the Client's business or operations. UHY Advisors shall supervise, perform or cause to be performed all work to be accomplished by UHY Advisors and may call upon the expertise and/or assistance of its affiliates in the performance of such services. To the extent that circumstances permit, UHY Advisors is committed to offering its staff a lifestyle which enables them to control their travel schedules. Accordingly, if UHY Advisors' staff is required to work away from home for extended periods, to the extent consistent with UHY Advisors' performance obligations, the Client agrees to accept flexibility in the way UHY Advisors' staff divides their time between the Client's sites and their home base.
- 3. Taxes.** There shall be added to the charges under this Agreement, and the Client shall pay to UHY Advisors, an amount equal to any taxes, levies and duties, however designated or levied, domestic or foreign, based upon such charges, this Agreement, the services or materials provided, or their use, including without limitation state and local sales and use taxes, which are paid by or are payable by UHY Advisors, plus interest and penalties, if any, exclusive, however, of United States federal, state or local taxes based on the net income of UHY Advisors. Should Client be required under any law or regulation of any governmental entity or authority, domestic or foreign, to withhold or deduct any portion of the payments due to UHY Advisors, then the sum payable to UHY Advisors shall be increased by the amount necessary to yield to UHY Advisors an amount equal to the sum it would have received had no withholdings or deductions been made. Notwithstanding two preceding sentences, UHY Advisors accepts full and exclusive liability for the payment of all employer contributions and taxes measured by the remuneration paid to UHY Advisors employees as required by all applicable United States federal, state and local laws, rules and regulations.
- 4. Warranties.** UHY Advisors warrants that the services provided will be performed and supervised by qualified personnel. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, UHY ADVISORS MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, OR WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Except for the warranty expressly set forth in this Paragraph 4, the Client acknowledges and agrees that it has relied on no other representations or warranties and that no other representations or warranties have formed the basis of its bargain hereunder.

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5. **Indemnity.** (a) UHY Advisors and the Client each agree to indemnify, defend and hold harmless the other from and against any and all amounts payable under any judgment, verdict, court order or settlement for death or bodily injury or the damage to or loss or destruction of any real or tangible personal property to the extent arising out of the indemnitor's negligence in the performance of this Agreement.

(b) UHY Advisors agrees to indemnify, defend and hold harmless the Client from and against any and all amounts payable under any judgment, verdict, court order or settlement to the extent resulting from any unaffiliated third party allegation that the work performed by UHY Advisors under this Agreement infringes such third-party's United States patent, copyright or trade secret. Should the Client's use of work performed by UHY Advisors be determined to have infringed, or if, in UHY Advisors' judgment, such use is likely to be infringing, UHY Advisors may, at its option: (1) procure for the Client the right to continue to use the work performed by UHY Advisors; or (2) replace or modify the work performed by UHY Advisors to make its use non-infringing while yielding substantially equivalent results. If neither of such options are or would be available on a basis that UHY Advisors finds commercially reasonable, UHY Advisors may terminate this Agreement, the Client shall return work performed to UHY Advisors and UHY Advisors shall refund the fees paid for the associated services, less a reasonable allowance for use. The Client reserves any other legal or equitable rights or remedies it may have. This indemnity does not cover alleged infringements caused by modifications to the work performed by UHY Advisors that are not made by UHY Advisors or that result from the Client provided designs, specifications or other information or from combination of such work with products or services not provided by UHY Advisors.

(c) The indemnities in this Paragraph 5 are contingent upon: (1) the indemnified party promptly notifying the indemnifying party in writing of any claim which may give rise to a claim for indemnification hereunder; (2) the indemnifying party being allowed to control the defense and settlement of such claim; and (3) the indemnified party cooperating with all reasonable requests of the indemnifying party (at the indemnifying party's expense) in defending or settling such claim. The indemnified party shall have the right, at its option and expense, to participate in the defense of any action, suit or proceeding relating to such a claim through a counsel of its own choosing.

6. **Limitation of Liability.** Other than the Client's obligations to make payments that are due and owing under this Agreement, a party's and its affiliates' entire and collective liability arising out of or relating to this Agreement, including without limitation on account of performance or nonperformance of obligations hereunder, regardless of the form of the cause of action, whether in contract, tort (including without limitation negligence), statute or otherwise, shall in no event exceed the amounts paid to UHY Advisors under this Agreement. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, NEITHER PARTY NOR ITS AFFILIATES SHALL, UNDER ANY CIRCUMSTANCES, BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR ANY CLAIM BASED UPON ANY THIRD PARTY CLAIM (EXCEPT AS PROVIDED FOR IN PARAGRAPH 5) OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES OF ANY NATURE WHATSOEVER, OR FOR ANY DAMAGES ARISING OUT OF OR IN CONNECTION WITH ANY MALFUNCTIONS, DELAYS, LOSS OF DATA, LOSS OF PROFIT, INTERRUPTION OF SERVICE OR LOSS OF BUSINESS OR ANTICIPATORY PROFITS, EVEN IF A PARTY OR ITS AFFILIATES HAVE BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING. No action, regardless of form, arising out of this Agreement may be brought by either party more than one (1) year after the cause of action has accrued.

7. **Ownership.** Title to all written material, originated and prepared for the Client under this Agreement, shall belong to the Client. However, UHY Advisors' working papers and UHY Advisors Confidential Information (as defined below) belong exclusively to UHY Advisors. The ideas, concepts, know-how, techniques, inventions, discoveries, improvements and other information relating to information processing, telecommunications or business process re-engineering or design, developed during the course of this Agreement by UHY Advisors and/or Client personnel, may be used by either party, without

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an obligation to account, in any way it deems appropriate, including without limitation by or for its clients or customers, notwithstanding any provision in this Agreement to the contrary. UHY Advisors is in the business of providing consulting services for a wide variety of clients and the Client understands that UHY Advisors will continue these activities. Accordingly, nothing in this Agreement shall preclude or limit UHY Advisors from providing consulting services or materials for itself or other clients, irrespective of the possible similarity of screen formats, structure, organization and sequence to materials which might be delivered to the Client.

8. **Confidentiality.** UHY Advisors agrees that all financial, statistical, marketing and personnel data relating to the Client's business, and other information identified as confidential by the Client, are confidential information of the Client ("Client Confidential Information"). The Client agrees that information identified as confidential by UHY Advisors, are confidential information of UHY Advisors ("UHY Advisors Confidential Information"). Client Confidential Information and UHY Advisors Confidential Information are collectively referred to as "Confidential Information." Each party shall use Confidential Information of the other party which is disclosed to it only for the purposes of this Agreement and shall not disclose such Confidential Information to any third party, without the other party's prior written consent, other than to UHY Advisors' subcontractors and to each other's employees on a need-to-know basis. Each party agrees to take measures to protect the confidentiality of the other party's Confidential Information that, in the aggregate, are no less protective than those measures it uses to protect the confidentiality of its own Confidential Information, but at a minimum, each party shall take reasonable steps to advise their employees (and, in the case of UHY Advisors, its subcontractors) of the confidential nature of the Confidential Information and of the prohibitions on copying or revealing such Confidential Information contained herein. UHY Advisors and the Client each agree to require that the other party's Confidential Information be kept in a reasonably secure location. Notwithstanding anything to the contrary contained in this Agreement, neither party shall be obligated to treat as confidential, or otherwise be subject to the restrictions on use, disclosure or treatment contained in this Agreement for, any information disclosed by the other party (the "Disclosing Party") which: (1) is rightfully known to the recipient prior to its disclosure by the Disclosing Party; (2) is generally known or easily ascertainable by non-parties of ordinary skill in computer or process design or programming or in the business of the Client; (3) is released by the Disclosing Party to any other person, firm or entity (including governmental agencies or bureaus) without restriction; (4) is independently developed by the recipient without any reliance on Confidential Information; or (5) is or later becomes publicly available without violation of this Agreement or may be lawfully obtained by a party from any nonparty. Neither party will be liable to the other for inadvertent or accidental disclosure of Confidential Information if the disclosure occurs notwithstanding the party's exercise of the same level of protection and care that such party customarily uses in safeguarding its own confidential information.

9. **Deliverables, Misc.** Client will notify UHY Advisors, in writing within ten working days of its receipt of any UHY Advisors deliverable under this Agreement, whether or not the deliverable is accepted. If the deliverable is not accepted, the notice will specify in reasonable detail the reasons that the deliverable fails to meet the requirements described in this Agreement in all material respects. Acceptance by Client will not be unreasonably withheld. The passage of ten working days without notice of nonacceptance by Client, or use by Client of the deliverable, will constitute acceptance by Client of the deliverable. UHY Advisors will take reasonable measures to remedy any failure of the deliverable to meet the requirements described in this Agreement in all material respects. Unless otherwise specifically agreed by UHY Advisors and Client for a particular deliverable, any deliverable which has been accepted as described above or which is used by the parties as the basis for subsequent deliverables, will be considered to supersede (and prevail in the event of any conflict with) any preceding deliverable created or provided pursuant to this Agreement. The parties agree that a date or schedule contained in this Agreement is important to achieve, but nonetheless represents an estimate and will likely be revised during the course of carrying out the services. However, UHY Advisors will use all reasonably practical and diligent efforts to achieve the date or schedule.

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- 10. Binding Nature and Assignment.** This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their successors and permitted assigns, and nothing in this Agreement shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, save for the parties' affiliates as expressly provided in Paragraph 6, Limitation of Liability. Neither party may, nor shall have the power to assign or transfer this Agreement without the prior written consent of the other party, except that UHY Advisors may without consent assign or transfer this Agreement to a successor to the business of UHY Advisors to which this Agreement relates. Any claim relating to the provision of services by UHY Advisors, its affiliates or their respective staff will be made against UHY Advisors alone. The rights and obligations of the parties under these General Terms and Conditions shall survive termination of this Agreement for any reason. Without limiting the restrictions on UHY Advisors contained in Paragraph 8, Confidentiality, UHY Advisors may refer to this engagement as an experience citation with its clients and prospects.
- 11. Approvals and Similar Actions.** Where agreement, approval, acceptance, consent or similar action by the Client or UHY Advisors is required under this Agreement, such action shall not be unreasonably delayed or withheld.
- 12. UHY Advisors Relationships.** (a) UHY Advisors, Inc. and its various wholly owned subsidiaries ("UHY Advisors") have a contractual arrangement with UHY LLP pursuant to which UHY Advisors provides UHY LLP with services for which licensure as a CPA is not required. In order to avoid duplication of efforts arising out of this arrangement, we request that you consent to our sharing with UHY LLP and UHY LLP sharing with UHY Advisors the information that may be obtained from you during the course of our engagement. Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent to make disclosures to UHY LLP of confidential information that we may obtain in the course of our engagement.
- (b) UHY Advisors, Inc. and UHY LLP are U.S. members of Urbach Hacker Young International Limited, a UK company, and form part of the international UHY network of legally independent accounting and consulting firms. "UHY" is the brand name for the UHY international network. Any services described herein are provided by UHY Advisors of N.E., LLC and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.
- 13. Use of Third-party Service Providers.** We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.
- 14. Hiring UHY Advisors Employees.** If you hire an employee or subcontractor of UHY Advisors (or UHY LLP), at any time during our relationship, or within one year of the end of our relationship, you will be billed a recruiting fee of 30% of that individual's first year salary with you or with your company. This placement fee will be paid to UHY Advisors (or UHY LLP). The fee is necessary to recoup a portion of our training costs in our experienced people. It will also allow us to cover part of the cost of replacing our employee and insure that you will receive continued uninterrupted professional services.

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15. Dispute Resolution and Choice of Law. This engagement letter and all services rendered hereunder shall be governed, construed, and enforced by the laws of the State of Connecticut, without the need to resort to principles of conflicts of laws. Connecticut law shall apply to any legal or equitable proceeding that shall be instituted in any way arising out of this engagement letter, any obligations contained or allegedly contained herein, and all services rendered touching or relating in any way to the obligations of this engagement letter. All parties to this engagement consent to the exclusive jurisdiction of the federal and state courts located in Connecticut and, more particularly, the state court located in Hartford County, Connecticut and the federal court located in the District of Connecticut.

