

Agreement to Provide Services

This agreement to provide services (the “Agreement”) is intended to describe the nature and scope of our services.

Objective and Scope of the Audit

As agreed, BDO USA, LLP (“BDO” or “we”) will audit the financial statements of the Electric System, and the Water System of the Virgin Islands Water and Power Authority (the “Authority” or “you”) as of and for the years ended June 30, 2019 and 2020. 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, to issue an auditor’s report that includes our opinion, and to report on the fairness of the supplementary information referred to below when considered in relation to the basic financial statements as a whole. 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”) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

The objectives of our audit also include reporting on the Authority’s:

- Internal control related to the financial statements and compliance with federal statutes, regulations, and the terms and conditions of the federal awards, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and issuance of an opinion on whether the Authority complied with federal statutes, regulations, and the terms and conditions of the federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate context. As part of our engagement, we will apply certain limited procedures to the Authority’s RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The following RSI is required and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Other Post-employment Benefits Liability and Related Ratios
3. Schedule of System's Share of the Net Pension Liability
4. Schedule of System's Pension Contributions

Also, the supplementary information accompanying the basic financial statements, as listed below, will be subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS, and our auditor's report will provide an opinion on it in relation to the basic financial statements as a whole.

1. Schedule of Expenditures of Federal Awards

Also, the supplementary information accompanying the basic financial statements, as listed below, will not be subjected to the auditing procedures applied in our audit of the basic financial statements, and our auditor's report will not provide an opinion or any assurance on such supplementary information.

1. Five-Year Comparative Summary of Operations

Responsibilities of BDO

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

- 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 reasonable 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.
- 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. Accordingly, we will express no such opinion. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses in internal control. However, we will communicate to you and those charged with governance in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during our audit.

- 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.
- 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.

Our audit will also be conducted in accordance with the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance or UG), [and, if appropriate, in accordance with any state or regulatory audit requirements] and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of the federal awards that may have a direct and material effect on each of its major programs. Our procedures will consist of the applicable procedures described in the Office of Management and Budget's (OMB) Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs. As required by the Uniform Guidance, our audit will include tests of transactions related to major federal award programs for compliance with applicable federal statutes, regulations, and the terms and conditions of federal awards. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to major programs in our report on compliance issued pursuant to the Uniform Guidance.

Our work will be based primarily upon selected tests of evidence supporting the amounts and disclosures in the financial statements and, therefore, will not include a detailed check of all of the Authority's transactions for the period. Also, an audit is not designed to detect errors or fraud or violations of federal statutes and regulations that are immaterial to the financial statements or major programs. However, we will inform you of any material errors or fraud that come to our attention. We will also inform you of possible illegal acts that come to our attention unless they are clearly inconsequential. We will also include such matters in the reports required for an audit performed under the Uniform Guidance. In addition, during the course of our audit, financial statement misstatements relating to accounts or disclosures may be identified, either through our audit procedures or through communication by your employees to us, and we will bring these misstatements to your attention as proposed adjustments. At the conclusion of our audit we will communicate to those charged with governance (as defined below) all uncorrected misstatements. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

The term “those charged with governance” is defined as the person(s) with responsibility for overseeing the strategic direction of the Authority and obligations related to the accountability of the Authority, including overseeing the financial reporting process. For the Authority, we agree that the Authority’s Governing Board and its Audit Committee meets that definition.

We will perform test of controls, as required by the Uniform Guidance, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with each direct and material compliance requirement applicable to each of the Authority’s major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

We are also responsible for communicating with those charged with governance what our responsibilities are under GAAS, an overview of the planned scope and timing of the audit, and significant findings from the audit.

Notwithstanding the unprecedented circumstances resulting from the COVID-19 outbreak, we continue to have a professional obligation to gather sufficient appropriate audit evidence in support of your [consolidated] financial statements. Travel restrictions, actual or suspected infections, work from home requirements, changes - such as work force reductions - made to accommodate the current business environments, or other similar matters may result in delays in your employees’ ability to provide us the necessary audit evidence on a timely basis or at all. Similarly, such matters may impact our own ability to collect or appropriately assess necessary audit evidence on a timely basis or at all.

Should such events occur, you and BDO will make good faith efforts to complete alternative procedures to gather and assess necessary audit evidence. Such procedures might include, but not be limited to, our respective employees working from home, transferring more audit information via electronic modes (preferably through our secure BDO Exchange portal), and meeting virtually rather than in-person. As to audit evidence transferred via electronic modes, you are responsible to ensure that such evidence is authentic, complete, and accurate for the purposes it is meant to serve. BDO will perform, as it deems necessary, incremental procedures to validate the authenticity, completeness, and accuracy of such audit evidence.

As necessary, we will notify you if such alternative procedures require additional efforts and, if possible, an estimate of the additional cost.

Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that you acknowledge and understand that you have responsibility (1) for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; (2) for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and relevant to federal award

programs that are free from material misstatement, whether due to error or fraud; (3) for identifying and ensuring that the Authority complies with the laws and regulations applicable to its activities; and (4) to provide us with access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, additional information we may request for the purpose of the audit, and unrestricted access to persons within the Authority from whom the auditor determines it is necessary to obtain audit evidence.

Management is also responsible for preparation of the schedule of federal expenditures of federal awards, including the notes, noncash assistance received and other required information, in accordance with the requirements of the Uniform Guidance.

Management is responsible for identifying all federal awards expended during the period including federal awards and funding increments received prior to December 26, 2014, and those received subsequent to December 26, 2014 in accordance with the audit requirements of the Uniform Guidance. You acknowledge and understand your responsibility for the preparation of all supplementary information, including the schedule of expenditures of federal awards, in accordance with the applicable criteria. Management is responsible for identifying all federal awards received and understanding and complying with the compliance requirements, in accordance with the Uniform Guidance. Management is also responsible for (1) establishing and maintaining effective internal control, including internal control over compliance and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met, (2) compliance with federal statutes, regulations, and the terms and conditions of federal awards, (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements, and (4) ensuring that management and financial information is reliable and properly reported. You also agree 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. You also agree to present the supplementary information with the audited financial statements, or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and our report thereon.

Management's responsibilities also include identifying and informing us of significant contractor relationships in which the contractor is responsible for program compliance and for the accuracy and completeness of that information.

Management is responsible for adjusting the financial statements to correct material misstatements relating to accounts or disclosures, after evaluating their propriety based on a review of both the applicable authoritative literature and the underlying supporting evidence from the Authority's files; or otherwise concluding and confirming in a representation letter (as further described below) provided to us at the conclusion of our audit that the effects of any uncorrected misstatements are, both individually and in the aggregate, immaterial to the financial statements taken as a whole. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

As required by GAAS, we will request certain written representations from management at the close of our audit to confirm oral representations given to us and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning matters that are the subject of the representations. Because of the importance of management's representations to an effective audit, the Authority agrees, subject to prevailing laws and regulations, to release and indemnify BDO and its partners, principals, employees, affiliates, contractors, agents, and Permitted Assignees (as defined herein under "Assignment") (collectively, the "BDO Group") from and against all liability and costs relating to our services rendered under this Agreement attributable to any knowing misrepresentations by management.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Authority involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a direct and material effect on the financial statements and/or schedule of expenditures of federal awards.

Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Authority complies with applicable federal statutes, regulations, and the terms and conditions of the federal awards. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of federal statutes, regulations and the terms and conditions of the federal awards, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying to us, previous financial audit attestation engagements, performance audits, or other studies related to our audit objectives. This responsibility includes communicating to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

At the conclusion of the engagement, we will complete the appropriate sections of and electronically certify the Data Collection Form that summarizes our audit findings. We will provide a final copy of our reports in a PDF file to the Authority; however, it is management's responsibility to upload the PDF version of the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) and complete the appropriate sections of the Data Collection Form. Management is responsible for electronically certifying the Data Collection Form and electronically submitting the completed Data Collection Form to the Federal Audit Clearinghouse (FAC). The financial reporting package must be text searchable, unencrypted, and unlocked to be accepted by the FAC. It is management's responsibility to provide the reporting package to pass-through entities, if required. The Data Collection Form and the reporting package must be submitted electronically within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the oversight agency for audit. Both BDO and

management are responsible for ensuring that in their respective parts of the reporting package there is no protected personally identifiable information. We understand that we must make copies of the Data Collection Form and reporting package available for public inspection.

Expected Form and Content of the Auditor's Report

At the conclusion of our audit, we will submit to you a report containing our opinion as to whether the financial statements, taken as a whole, are fairly presented based on accounting principles generally accepted in the United States of America. If, during the course of our work, it appears for any reason that we will not be in a position to render an unmodified opinion on the financial statements or the Uniform Guidance compliance, or that our report will require an Emphasis of Matter or Other Matter paragraph, we will discuss this with you. It is possible that, because of unexpected circumstances, we may determine that we cannot render a report or otherwise complete the engagement. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require, we may resign from the engagement prior to completion.

The reports on internal control and compliance will each include a statement that the purpose of these reports is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of *Government Auditing Standards* (GAS) and the Uniform Guidance and are not suitable for any other purpose.

In particular, impacts from the COVID-19 outbreak may result in our inability to properly complete the engagement or require us to include such an explanatory or emphasis paragraph in our auditor's report.

Client Continuance Matters

BDO is retaining the Authority as a client in reliance on information obtained during the course of our client continuance procedures. **Neena Masih** has been assigned the role of engagement partner and is responsible for directing the engagement and issuing the appropriate report on the Authority's financial statements.

Email Communication

BDO disclaims and waives, and you release the BDO Group from, all liability for the interception or unintentional disclosure of email transmissions or for the unauthorized use or failed delivery of emails transmitted or received by BDO in connection with the services we are being engaged to perform under this Agreement.

External Computing Options

If, at the Authority's request, BDO agrees to use certain external commercial services, including but not limited to services for cloud storage, remote control, and/or file sharing options (collectively "External Computing Options"), that are outside of BDO's standard security protocol, the Authority acknowledges that such External Computing Options may be

associated with heightened security and privacy risks. Accordingly, BDO disclaims and the Authority agrees to release the BDO Group from, and indemnify the BDO Group for, all liability arising out of or related to the use of such External Computing Options.

Ownership of Working Papers

The working papers prepared in conjunction with our audit are the property of BDO, constitute confidential, proprietary, and trade secret information, and will be retained by us in accordance with BDO's policies, procedures, and applicable laws.

However, pursuant to authority given by law or regulation, we may be requested to make certain working papers available to the Authority's oversight agency, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such working papers will be provided under the supervision of BDO personnel and at a location designated by BDO. Furthermore, upon request, we may provide photocopies of selected working papers to the aforementioned parties. These parties may intend or decide to distribute the photocopies of information contained therein to others, including other governmental agencies. If a working paper access request is received from a regulator, we will ask you and the regulator to acknowledge, in writing, the conditions under which we will provide such access; and you agree to provide such written acknowledgment.

Reproduction of Auditor's Report

If the Authority plans any reproduction or publication of a document that includes our report, or any portion of it, and that is assembled differently from any paper or electronic version that we have previously reviewed and approved for the Authority (e.g., by the addition of financial statements and/or accompanying information that you have produced), a copy of the entire document in its final form should be submitted to us in sufficient time for our review and written approval before printing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our written approval.

Posting of Auditor's Report and Financial Statements on Your Website

You agree that, if you plan to post an electronic version of the financial statements and auditor's report on your website, you will ensure that there are no differences in content between the electronic version of the financial statements and auditor's report on your website and the signed version of the financial statements and auditor's report provided to management by BDO. You also agree to indemnify the BDO Group for all claims that may arise from any differences between the electronic and signed versions.

Review of Documents in Connection With Offering of Sale of Debt

The Auditor acknowledges that the audited financial statements that are the subject of this engagement and the Auditor's report thereon shall be the sole and exclusive property of the Authority, to be used in accordance with the terms and conditions of this Agreement. The

Auditor shall, upon request, provide copies of selected audited financial statements along with the related Auditor's report thereon to the Authority and/or such parties designated by the Authority. If the Authority does not engage the Auditor in the preparation of any offering document, the Authority acknowledges that the Auditor will not be responsible for any information that is included in any such offering document, and the Authority agrees to include the entire audited financial statements, in their final form, in any such offering document. If the Authority elects to reproduce and/or publish the audited financial statements and the related Auditor's report thereon in connection with one or more offering document with respect to municipal securities issuances or other exempt debt issuances, the Authority will ensure the entire audited financial statements including the Auditor's report, the financial statements, notes to the financial statements, and the required supplementary information are included exactly as issued by the Auditor; BDO will not be responsible for searching for information omitted from the audited financial statements or for the completeness of the information in the audited financial statements.

If the Authority engages the Auditor to perform work in connection with an exempt offering document, the Authority will submit copies of the offering document to us in sufficient time for our review and written approval. If, in our professional judgment, the circumstances require, BDO may withhold or condition our written approval. If the Authority engages the Auditor to perform work in connection with an exempt offering document, BDO will be responsible for reviewing such offering document in accordance with the terms of such engagement and the professional standards applicable to such services.

If the Auditor is not engaged to perform work in connection with an exempt offering document, the Authority will include in any such offering document a statement clearly indicating that the Auditor is not involved with the contents of such offering document and has not been engaged to perform any procedures. The Authority agrees to include the following language in the offering document:

“BDO USA, LLP, our independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report, including the Auditor's report, the basic financial statements, notes to the financial statements, and the required supplementary information. BDO USA, LLP also has not performed any procedures relating to this official statement.”

If the Auditor is not engaged to perform work in connection with municipal securities issuances or other exempt debt issuances, BDO disclaims and you agree to release the BDO Group from, and indemnify the BDO Group for, all liability arising out of or related to inconsistencies in or incompleteness of using the audited financial statements in offering documents, including providing copies to third parties related to such offering, unless it is finally determined that such liability arose solely because of BDO's error in the audited financial statements or our signed audit report.

Availability of Records and Personnel

You agree that all records, documentation, and information we request in connection with our audit will be made available to us (including those pertaining to related parties), that all

material information will be disclosed to us, and that we will have the full cooperation of, and unrestricted access to, your personnel during the course of the engagement.

Should impacts from the COVID-19 outbreak impede the ability to provide full cooperation and access, you will instead work with us in good faith to make alternative arrangements to accomplish the objectives of our audit.

You also agree to ensure that any third-party valuation reports that you provide to us to support amounts or disclosures in the financial statements (a) indicate the purpose for which they were intended, which is consistent with your actual use of such reports; and (b) do not contain any restrictive language that would preclude us from using such reports as audit evidence.

Assistance by Your Personnel and Internet Access

We also ask that your personnel prepare various schedules and analyses for our staff. However, except as otherwise noted by us, no personal information other than names related to Authority employees and/or customers should be provided to us. In addition, we ask that you provide high-speed Internet access to our engagement team, if practicable, while working on the Authority's premises. This assistance will serve to facilitate the progress of our work and minimize costs to you.

Peer Review Reports

Government Auditing Standards requires that we provide you with a copy of our most recent quality control review report. Our latest peer review report accompanies this letter.

Other Services

We are always available to meet with you and other executives at various times throughout the year to discuss current business, operational, accounting, and auditing matters affecting the Authority. Whenever you feel such meetings are desirable, please let us know. We are also prepared to provide services to assist you in any of these areas. We will also be pleased, at your request, to attend governing board meetings.

Independence

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Authority in the performance of our services. Any discussions that you have with personnel of BDO regarding employment could pose a threat to our independence. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Assignment

BDO shall have the right to assign its rights to perform a portion of the services described above to any of its independent BDO Alliance USA, affiliates (including, where applicable, member firms of the international BDO network), agents, or contractors (a "Permitted Assignee") without the Authority's prior consent. If such assignment is made, the Authority

agrees that, unless it enters into an engagement letter directly with the Permitted Assignee, all of the applicable terms and conditions of this Agreement shall apply to the Permitted Assignee. We agree that we shall not permit the Permitted Assignee to perform any work until it agrees to be bound by the applicable terms and conditions of this Agreement. We further agree that we will remain primarily responsible for the services described above, unless we and the Authority agree otherwise, and we will supervise the work of the Permitted Assignee to ensure that all such services are performed in accordance with this Agreement. From time to time, and depending on the circumstances, Permitted Assignees located in other countries may participate in the services we provide to the Authority. In some cases, we may transfer information to or from the United States or another country. Although applicable privacy laws may vary depending on the jurisdiction, and may provide less or different protection than those of the Authority's home country, we require that all Permitted Assignees agree to maintain the confidentiality of the Authority's information and observe our policies concerning any confidential client information that we provide to them.

The Authority may not assign this Agreement to another party without our prior written consent.

Third-Party Use

BDO will perform the professional services provided in connection with this engagement solely for the benefit and use of the Authority. BDO does not anticipate and does not authorize reliance by any other party on its professional services. Any amendment to this provision must be made through a written document signed by the Authority and BDO.

Confidentiality

Each of the parties hereto shall treat and keep all of the "Confidential Information" (defined below) as confidential, with at least the same degree of care as it accords to its own confidential information of a similar nature, but in no event less than a reasonable degree of care. Each party shall disclose the Confidential Information only to its employees, partners, contractors, consultants, agents, or its legal or other advisors, provided that they have: (A) each been informed of the confidential, proprietary, and secret nature of the Confidential Information, or are subject to a binding, preexisting obligation of confidentiality no less stringent than the requirements of this Agreement, and (B) a demonstrable need to review such Confidential Information. "Confidential Information" means all non-public information that is marked as "confidential" or "proprietary" or that otherwise should be understood by a reasonable person to be confidential in nature that is obtained by one party (the "Receiving Party") from the other party (the "Disclosing Party"). All terms of this Agreement and all information provided pursuant to this Agreement are considered Confidential Information. Notwithstanding the foregoing, Confidential Information shall not include any information that was or is: (a) known to the Receiving Party prior to disclosure by the Disclosing Party; (b) as of the time of its disclosure, or thereafter becomes, part of the public domain through a source other than the Receiving Party; (c) made known to the Receiving Party by a third person who is not subject to any confidentiality obligation known to Receiving Party and such third party does not impose any confidentiality obligation on the Receiving Party with respect to such information; (d) required to be disclosed pursuant to governmental authority, professional obligation, law, decree regulation, subpoena, or court order; or (e) independently developed by the Receiving Party. In no case shall the tax treatment or the tax

structure of any transaction be treated as confidential as provided in Treas. Reg. sec. 1.6011-4(b)(3). If disclosure is required pursuant to subsection (d) above, the Receiving Party shall (other than in connection with routine supervisory examinations by regulatory authorities with jurisdiction and without breaching any legal or regulatory requirement) provide prior written notice thereof to allow the Disclosing Party to seek a protective order or other appropriate relief. Upon the request of the Disclosing Party, the Receiving Party shall return or destroy all of the Confidential Information except for (i) copies in working paper files retained to comply with a party's professional or legal obligations and (ii) such Confidential Information retained in accordance with the Receiving Party's normal back-up data storage procedures. Notwithstanding the foregoing, BDO shall have the right to use the Authority's Confidential Information in connection with performing BDO's obligations hereunder, and also to use de-identified and aggregated key performance indicators derived from BDO's work product in efforts to improve the services generally, including for benchmarking and analytical purposes, so long as such information remains in a de-identified aggregated form and such use does not violate any of BDO's obligations of confidentiality hereunder. BDO shall not share or sell any of the de-identified Authority information to third parties, and shall store such information in such a way that neither the Authority nor any of the Authority's staff or customers can be identified.

Miscellaneous

Many banks have engaged a third party to electronically process cash or debt audit confirmation requests, and certain of those banks have mandated the use of this service. Further, such third party confirmation processors also provide for the electronic (and manual) processing of other confirmation types (e.g., legal, accounts receivable, and accounts payable). To the extent applicable, the Authority hereby authorizes BDO to participate in such confirmation processes, including through the third party's website (e.g., by entering the Authority's bank account information to initiate the process and then accessing the bank's confirmation response), and agrees that the BDO Group shall have no liability in connection therewith.

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, professional standards, or related published interpretations (including, without limitation, the independence rules of the American Institute of Certified Public Accountants, Securities and Exchange Commission, Public Company Accounting Oversight Board, and Government Auditing Standards), but if any provision of this Agreement shall be deemed void, prohibited, invalid, or otherwise unenforceable in whole or in part for any reason under such applicable laws, regulations, professional standards, published interpretations, or any reason whatsoever, such provisions or portion(s) thereof shall be ineffective only to the extent of such prohibition, invalidity, or unenforceability and shall be amended to the minimum extent required to make the provision enforceable, and such revised provision shall be made a part of this Agreement as if it was specifically set forth herein. Furthermore, the provisions of the foregoing sentence shall not invalidate the remainder of such provision or the other provisions of this Agreement, which shall remain in full force and effect.

The Authority's signature below represents that it has the full power and authority to enter into this Agreement on behalf of the Authority and any Authority subsidiary or other affiliate

that may rely on the services provided hereunder, or that it shall ensure that each such subsidiary or other affiliate agrees to be bound to the terms hereof.

This Agreement may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this Agreement must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties to this Agreement and all other persons or entities required by law. An electronically transmitted signature to this Agreement will be deemed an acceptable original for purposes of consummating this Agreement and binding the party providing such electronic signature.

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