

January 16, 2023

Board of Trustees of the
School Cafeteria Employees UNITE HERE Local 634 Health and Welfare Fund
C/O Associated Administrators, LLC
Ms. Alicia Cochran
911 Ridgebrook Rd
Sparks, MD 21152-9451

We appreciate the opportunity to submit this understanding of services to be performed by Novak Francella LLC (Novak) in connection with payroll compliance review services for the School Cafeteria Employees UNITE HERE Local 634 Health and Welfare Fund (the Fund). This letter will confirm the agreed upon services, (The “Services”) and our proposed fee for the Services. Novak and the Fund agree that this letter and the attached Terms and Conditions constitute the consulting arrangement pursuant to which our Services will be provided (The “Agreement”).

We will perform a payroll compliance review of the Philadelphia School District for the period January 1, 2022 through December 31, 2023. We will work with your personnel to coordinate this review from an administrative standpoint. We will work with the Fund to perform our services in accordance with the AICPA’s requirements for audits of employee benefit plans and in accordance with the requirements of the Department of Labor. Our services will be based upon the Fund’s Agreement and Declaration of Trust, participation agreements and the audit policy promulgated by the Board of Trustees.

Our procedures are enumerated in our Payroll Compliance Review Program that is enclosed with this letter. We will perform other procedures or changes to our standard forms that are communicated to us by the Fund Administrator

Our hourly rates are \$115 for a payroll auditor, \$135 for a manager and \$195 for a partner. The composite hourly rate that we will bill is \$149 per hour, plus any out of pocket expenses.

Electronic Data Communication and Storage

In the interest of facilitating our services to the Funds, we may send confidential Fund data over the Internet, or store confidential Fund electronic data via computer software applications hosted remotely on the Internet or utilize cloud-based storage. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such Fund communications and confidential Fund electronic data secure in accordance with our obligations under applicable federal and state laws, regulations, and professional standards. We also understand that the Fund may request that we abide by its own security policies and procedures. To all reasonable extents, we anticipate agreeing to comply with such policies and procedures. We require that any third party vendor which handles the Fund's information described above to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us or our third party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third party service providers during this engagement so long as reasonable security measures described above are in place and utilized. Subject to the terms of any applicable contract between the Fund and us, and absent negligence, recklessness, or willful misconduct by us or one of our third party vendors with respect to the Fund information described above, you agree that we will not be held responsible for any breach of such Fund information. If a breach occurs, we will comply with any applicable federal or state law.

Client Portals

To enhance our services to you, we will utilize ShareFile, a collaborative, virtual workspace in a protected, online environment. ShareFile permits real-time collaboration across geographic boundaries and time zones and allows Novak Francella LLC and you to share specific Fund data, engagement information, knowledge, and deliverables (collectively "Fund Specific Data") in a protected environment.

You agree that we have no responsibility for the activities of ShareFile. While ShareFile backs up your Fund Specific Data to a third party server, we recommend that you also maintain your own backup files of these records.

If you decide to transmit your confidential Fund electronic data or information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to such information. If you request that we transmit confidential Fund electronic data or information to you in a manner other than through a secure portal, you agree that we are not responsible for any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending such information in the manner you request.

Summons or Subpoena

All Fund information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to quash, or otherwise limit the scope of, the summons or subpoena. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying the requested information of the summons or subpoena, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests. This paragraph will survive termination of this Agreement.

Once again, we thank you for the opportunity to submit this engagement letter. Please acknowledge your acceptance of the terms of this engagement by signing the confirmation below and returning a copy to us. If you have any questions regarding this letter or the Terms and Conditions, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink that reads "Kathleen M. Jackson". The signature is fluid and cursive, with a long horizontal flourish extending from the end of the name.

KATHLEEN JACKSON

Accepted by: _____

Date _____

Name of Client: School Cafeteria Employees
UNITE HERE Local 634 Health and Welfare Fund

Date: January 16, 2023

ATTACHMENT

TERMS AND CONDITIONS

The following are the terms and conditions (“Terms and Conditions”) on which Novak will provide the Services to you set forth in the Engagement Letter (and any attachments) (the “Engagement Letter”) to which these Terms and Conditions are attached. These Terms and Conditions and the Engagement Letter (and any attachments, exhibits, subsequent amendments or addenda thereto) constitute the entire agreement (the “Engagement” or “Agreement”) for the provision of the Services to the exclusion of any other express or implied term, whether expressed orally or in writing, including any conditions, warranties and representations and shall supersede all previous engagement letters, undertakings, agreements and correspondence regarding the Services.

Information and Assistance. Our performance of the Services is dependent upon you providing us with such information and assistance as we may reasonably require from time to time. You are responsible for ensuring that all information we may reasonably require is provided on a timely basis and is accurate and complete. You shall also notify us if you subsequently learn that the information provided is incorrect or inaccurate or otherwise should not be relied upon. Any reports issued or conclusions reached by us may be based upon information provided by you on behalf of you.

Reasonable Results. The Services in this Agreement are designed to provide reasonable but not absolute results and because we will not perform a detailed examination of all applicable transactions, all deficiencies may not be detected by us. In addition, these Services are not designed to detect immaterial errors, fraud or other illegal acts. Our responsibility is limited to the period covered by our Services and does not extend to any earlier or later periods.

Additional Services. Either party may request changes to the Services. Any variation to the Engagement, including any variation to fees, Services or time for performance of the Services, shall be separately agreed to and, if agreed, shall form a part of the Agreement to which these Terms and Conditions shall apply.

Term of Engagement. We or you may terminate the Engagement upon written notice to the other party. Upon receipt of such notice, we will stop work. You will be responsible for proper fees and expenses incurred through the date the termination notice is received. The terms of the Engagement that expressly or by implication are intended to survive its termination or expiration will survive and continue to bind all parties.

You agree to indemnify and hold harmless Novak and its personnel from any and all third party claims, liabilities, costs and expenses relating to Services Novak renders under this Engagement Letter, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Novak relating to such Services.

Representations. Each party represents to the other that such party has all necessary power and authority to execute, deliver and perform this Agreement and to perform and consummate the transactions contemplated hereby that such party duly authorized, executed and delivered by this Agreement. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes all previous agreements between the parties except for those items which by their terms are expressly intended to survive such Agreements including, without limitation, the indemnification provisions thereof, and constitutes a legal, valid, and binding obligation of such party enforceable against such party in accordance with its terms, and that such party's execution and delivery of this Agreement and such party's consummation of the transactions contemplated hereby does not and will not conflict with, require consent under, cause a default under or accelerate the performance of any contract or law to which such party is a party or by which its assets are bound.

Third Party Rights. Nothing in this Agreement is intended to confer any right upon any party other than Novak or you and no third party shall have any rights or remedies under this Agreement.

Assignability. This agreement shall not be assignable by either party without the express written consent of the other party.

Severability. In the event any provision of this Agreement shall be considered illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal or invalid provision had never been inserted therein.

Force Majeure. Any delay in performance due in whole or in part, to the occurrence of any contingency beyond the control of Novak, including but not limited to, war (whether an actual declaration thereof or not), sabotage, insurrection, riot, or other act of civil disobedience, act of public enemy, failure or delay in transportation, act of any government or any agency or subdivision thereof affecting the terms of this Agreement or otherwise, judicial action, labor disputes, accident, fire, explosion, flood, storm, or other act of God, where Novak has exercised reasonable care in prevention thereof, shall be excused for the period of time such contingency occurs plus such additional time as may be reasonably necessary to cure any damage to Novak resulting from such contingency.