



September 30, 2014

Mr. Cary Israel  
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Dear Mr. Israel:

We are pleased to confirm our engagement to provide an operational review of procurement and payment functions to Collin College. This letter and Attachment A (collectively the "Agreement") document the understanding of the services and related report(s) and other deliverables defined below (the "Services") that Grant Thornton LLP ("Grant Thornton", "we", or "us") will provide to Collin College ("Collin College", "the College", or "you"). For clarity, this letter is organized as follows:

- Our Understanding of Your Needs
- Project Objectives and Scope
- Grant Thornton's Responsibilities and Deliverables
- Collin College Responsibilities and Assumptions
- Grant Thornton Engagement Team
- Fees and Timing

### **Our Understanding of Your Needs**

Collin College leadership is committed to ensuring that its internal policies, procedures and operations are effective, efficient and have the appropriate internal controls in place. Collin College leadership seeks the services of an independent, objective third party, knowledgeable in internal controls and in business process reviews, who could work with leadership to help determine whether the appropriate procedures and controls are in place in the procurement and payment function. Collin College has selected Grant Thornton to assist in performing this operational review.

### **Project Objectives and Scope**

The Services under this Agreement include the following:

The objective of this operational review will be to provide improvement recommendations to management that address the efficiency, effectiveness and controls of the purchasing and accounts payable function. We will review key policies, procedures and controls, and the impact that systems, technologies, organization structure, marketplace changes, and the like have on the successful execution of day-to-day activities.

Issues to be addressed include determining:

- whether the purchasing and accounts payable function is acquiring, protecting and using resources economically and efficiently, including identifying duplication of effort by employees or manual work that could be automated, along with process delays in service delivery and execution,
- the effectiveness of purchasing and accounts payable personnel in performing their responsibilities in serving internal and external constituents,
- whether the purchasing and accounts payable function has in place the proper operational and systems controls to safeguard assets against unauthorized or improper use, and that transactions are properly authorized, recorded and reported (i.e., integrity of information), including:
  - determination of whether the key controls as designed and documented are, in fact, operational
  - identification of weaknesses in implementation and possibly design, as well as where processes and controls should be enhanced or added
  - identification of opportunities to reduce or eliminate redundant or unnecessary controls
- whether key management reports provide the information necessary to support effective fiscal and operational oversight,
- whether the organization of the business function and the flow of information between it and other areas is appropriately designed,
- the factors inhibiting satisfactory performance of the business function and remedies for inefficient and ineffective practices.

The scope of the purchasing and accounts payable review will include:

- an analysis of processes and work flows for processing purchase orders and invoices, including a review of policies and procedures,
- an analysis of fixed asset procurement, payment, and recording,
- an analysis of purchasing and accounts payable roles and responsibilities,
- a mapping of how processes are supported by IT systems.

### **Grant Thornton's Responsibilities and Deliverables**

Our analysis will be recorded in a report to be utilized within Collin College for its internal assessment and decision-making process. In addition, the report may be distributed to third parties only in accordance with the disclosure procedures set forth in Section 10(c) of Attachment A.

Grant Thornton shall be entitled to rely on the accuracy, completeness, and reliability of all information provided by, and on all decisions and approvals of, Collin College and its retained advisors, consultants, or legal counsel. Grant Thornton's work does not guarantee that errors and irregularities will not occur and it may not detect errors or irregularities if they arise.

Our approach and key deliverables will be as follows:

#### **Review of Background Information and Develop Understanding of Current State**

- **Understand current environment** – we will collect and review relevant documentation, such as policies, procedures, workflows, performance metrics, etc. in order to develop an

understanding of purchasing and accounts payable activities and practices, information flows within and between the business function internal control environment (associated with applications, infrastructure, procedures, practices and physical environment), systems, and internal and external “customer” requirements.

- **Conduct interviews and process walkthroughs** – we will meet with key personnel associated with purchasing and accounts payable to better understand organizational structure, staffing, job responsibilities, and business processes and practices. As part of our review, we will seek to understand certain key functions through select process walkthroughs (that will serve to supplement the “tell me” with “show me”) and compare activities performed to management’s expectations. We will also selectively meet with individuals in areas served by the purchasing and accounts payable function to gain their perspective on service delivery and opportunities for improvement. During the interviews, we will discuss purchasing and accounts payable risks and ascertain, from the interviewee’s perspective, how those risks are addressed to gain insights as to opportunities for where excessive controls can be simplified. Based on the project’s scope, we anticipate conducting approximately ten to twelve interviews of approximately one hour in duration.
- **Analyze business processes** – we will assess business process and information flows to the extent necessary to identify key process bottlenecks, control points or weaknesses, and to highlight areas with potential for improvement in efficiencies and effectiveness to recommend to management.
- **Assess operational and systems controls** – based on our understanding of key business processes, we will determine key areas of risk and will identify existing controls and note for management’s consideration where additional controls would help to mitigate existing or potential control gaps/weaknesses (i.e., “design effectiveness” of controls). We will also identify opportunities to streamline controls where simplified practices could yield adequate coverage.
- **Analyze organizational structure** – we will review the current organizational structure and staffing requirements of the business function, including current job responsibilities, personnel issues (cross training, job backup, etc.) and coordination of activities between departments.
- **Assess supporting technology** – we will identify how technology could be improved to better support business processes, by identifying deficiencies in either the applications themselves, how they are used, or how they interface with other systems. We will assess whether IT deficiencies can be corrected and will evaluate the investment required in workaround solutions vs. a system replacement.
- **Analyze findings and recommend alternatives** – we will analyze our findings and suggest for management’s consideration alternative short and long term enhancements to practices (processes, responsibilities, and information flows), organization and systems. As part of our deliverable, we will document our key observations and findings, and for each finding, explain its impact and recommended course of action. We will also note effective practices, both to avoid “taking the eye off the ball” on things that work as improvement efforts in other areas get underway, and to identify internal best practices that can be applied to other areas that might need remediation. Suggestions to management for improvement will be aligned with overall strategic direction and scalable to address future needs, as well as existing needs. Our recommendations to assist management in making its decisions will be based on our experience with other higher education/not-for-profit organizations and knowledge of industry best practices. We will also note “other findings” resulting from our review, which while potentially not within scope, would be of interest to management.

- **Develop action plan** – It is extremely important that recommendations do not “end up on a shelf” but actually get implemented. As part of our report, we will create an implementation action plan that will focus management and resources on executing the activities required to effect change. We will organize our short-term and long-term recommendations into a suggested action plan, composed of projects (i.e., logical groupings of recommendations) prioritized based on potential impact and level of effort, which will be a blueprint for the corrective steps that management should take.
- **Final presentation** – we will summarize and present our findings and recommendations to senior management.

### **Deliverables**

We will provide an Operational Review Report which includes our key observations, recommendations and a prioritized timeline for implementing recommendations.

## **Collin College’s Responsibilities and Assumptions**

### **1. Collin College Responsibilities**

College management acknowledges that it will undertake the following responsibilities (“Collin College Responsibilities”):

- Make all management decisions and perform all management functions, including maintaining all internal books and records.
- Designate an individual, preferably within senior management, who possesses the suitable skills, knowledge and/or experience as project leader to oversee the project. This individual will be responsible for applying independent business judgment with respect to the Services, including without limitation, establishing and monitoring the performance of the Services to ensure the objectives have been met. We understand that you will serve in this capacity.
- Evaluate the adequacy and results of the Services, and accept responsibility for approved results. Management is responsible for rendering all management decisions that involve management functions/activities related to the Services. This includes accepting full responsibility for making decisions on implementation or taking further course(s) of action with respect to our recommendations or advice.
- Establish and maintain effective internal controls, including monitoring activities, retaining custody of Collin College’s assets and controlling its premises.
- Provide, on a timely basis, such information, decisions, approvals and assistance that are necessary to Grant Thornton’s work or that Grant Thornton reasonably requests (including third-party permissions and licenses related to software or data).
- Provide suitable workspace as needed, including furniture, computers, and access to electronic and written information necessary to perform the Services.
- Ensure to the best of its ability that all information provided to Grant Thornton is complete, accurate and current in all material respects, and contains no material omissions.
- Select any products or services to be purchased from third parties in connection with this engagement. No such purchases are contemplated at the present time.

- Assume responsibility for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in (a) discharging Collin College's Responsibilities, and (b) the Assumptions. Moreover, Collin College will satisfy its obligations and responsibilities under the law.

## 2. Project Assumptions

The Services and fees for this Agreement are based upon the following assumptions, representations or information supplied by Collin College ("Assumptions").

Our ability to complete this project in the scheduled time, and for the budgeted amount, depends partially on the availability and significant participation of Collin College management and staff.

### **Grant Thornton Engagement Team**

Our work should not be relied upon to disclose errors, irregularities, or illegal acts including fraud or theft. However, should such matters come to our attention; we will discuss them with you to determine what course of action should be taken.

The sufficiency of our approach and the contents of our findings are solely the responsibility of Collin College. Consequently, we make no representation regarding the sufficiency of our approach either for the purposes of which our findings has been requested or any other purpose.

Our report and other materials generated during the engagement are intended for internal use by Collin College only. Our report should only be distributed to third parties as provided for in section 10 (c) of Attachment A.

Grant Thornton will assign the individuals listed below to the engagement. While we will attempt to fulfill requests for specific individuals, we may need to add or re-assign personnel. We will inform you of such changes within a reasonable amount of time.

Priya Sarjoo, Business Advisory Services Principal, will have overall responsibility for execution of this engagement. Teresa Lin, Senior Manager in our Business Advisory Services practice will have day-to-day responsibility for this engagement and will manage the efforts of other Grant Thornton personnel as needed.

### **Fees and Timing**

#### **Standard billings**

We will perform our activities on a time and materials basis. We expect our fees for the Services set forth in this Agreement not to exceed \$35,000 including expenses. If it appears that the estimated fees will be exceeded, we will bring this to your attention in advance. Invoices will be rendered monthly and are payable upon receipt.

The fees stated above include our out-of-pocket expenses, including five percent of fees to cover items such as copies, postage, supplies, computer and technology usage, software licensing, research and library databases and similar expense items.

If our work is delayed because Collin College is unable to adequately prepare information on a timely basis or because of any unforeseen event, we will inform you in writing of the additional costs we incur due to rescheduling our work.

Unless otherwise provided herein, either party may terminate this Agreement for any reason by providing forty-five (45) days prior written notice to the other party. In the event of such termination, you shall pay us for all services provided and all expenses incurred through the date of termination.

We are prepared to begin this assignment upon receiving your approval to proceed and expect the engagement will take approximately three to four weeks to complete.

### **Additional billings**

Of course, circumstances may arise that require us to do more work. Some of the more common circumstances include: changing professional requirements, incorrect accounting applications or errors in your records, inability to obtain information from third parties, failure to furnish accurate and complete information to us on a timely basis, and unforeseen events – including regulatory changes. If it appears that the estimated fee will be exceeded, we will consult with you so that you will have a better understanding of our fees before we continue. Additionally, our fee is neither a maximum nor a fixed fee quotation; therefore, we will keep you informed of any circumstances that affect the work's scope, the timetable or our level of participation.

Payment of our fees is not contingent on the completion of our Services. Furthermore, in the event we stop work for any reason (including, but not limited to, nonpayment or your request), you agree to pay our fees and expenses for all Services performed through the date work is stopped, whether or not we have produced any Deliverables. A detailed accounting of work performed through the date worked is stopped, describing any product to that point, shall be provided to the client.

At Grant Thornton, we pride ourselves on our ability to provide outstanding service and meeting our clients' deadlines. To help accomplish this goal, we work hard to have the right professionals available. This involves complex scheduling models to balance the needs of our clients and the utilization of our people, particularly during peak periods of the year. Last minute client requested scheduling changes result in costly downtime due to our inability to make alternate arrangements for our staff.

We will contact you shortly to coordinate a convenient time for Grant Thornton to begin work. If you do not provide proper notice, which we consider to be one week, of your inability to meet the agreed upon date for any reason, or do not provide us with sufficient information required to complete the work in a timely manner, additional billings will be rendered for any downtime of our professional staff.

### **Change Order Process**

During the project either party may request additions, deletions, or modifications to the scope or nature of the Services (a "Change"). Grant Thornton will not be obligated to start work on any Change until the fee and/or impact on the schedule is agreed on in a written change order. The change order should be signed by Grant Thornton and Collin College.

**Authorization**

Please confirm your acceptance of this Agreement by signing below and returning a copy to us. We appreciate the opportunity to work with Collin College on this important assignment.

Very truly yours,

GRANT THORNTON LLP

Priya Sarjoo  
Principal, Business Advisory Services

enc. Attachment A

cc: B. Kohnle

Agreed and Accepted by:

**Collin College**

\_\_\_\_\_  
Cary A. Israel  
District President

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

## Attachment A – Additional Terms

The terms in this Attachment A apply to the letter describing the Services to be provided by Grant Thornton to Collin College dated September 30, 2014 and are part of this Agreement. In the event that there is a conflict between the letter (or any other attachments to the letter) and this Attachment A, the terms of this Attachment A shall control. Any capitalized terms herein that are undefined shall have the meaning assigned to them elsewhere in the Agreement.

**1. Business Risk Allocations.** This Section 1 shall apply regardless of the nature of any claim asserted (including but not limited to contract, statute, tort, strict liability, or any form of negligence, whether by you, Grant Thornton, or others, except for Grant Thornton's gross negligence or willful misconduct) but such terms shall not apply to the extent finally determined to be contrary to any applicable law. Terms set forth in this section shall also continue to apply after any termination of this Agreement and during any dispute between the parties.

(a) **Limitation of Liability**

With respect to the Services and this Agreement generally, in no event shall the liability of Grant Thornton and its present and former partners, principals, directors, employees, agents and contractors for any claim, including but not limited to Grant Thornton's own negligence, exceed the fees it receives for the portion of the work giving rise to such liability. This limitation shall not apply to the extent that it is finally determined that any claims, losses, or damages are the result of Grant Thornton's gross negligence or willful misconduct or fraud.

In addition, the Company agrees that Grant Thornton and its present, future and former partners, principals and employees shall not under any circumstances be liable for any special, consequential, incidental or exemplary damages or loss (nor any lost profits, taxes, interest, tax penalties, savings or business opportunity).

(b) **General**

If any portion of this Agreement is held invalid, it is agreed that such invalidity shall not affect any of the remaining portions. Furthermore, if the Services are subject to the independence rules of the Securities and Exchange Commission ("SEC") with respect to you, such that any provision in this Agreement would impair our independence under the SEC's rules, such provision shall, to that extent, be of no further force and effect and the Agreement shall consist of the remaining provisions.

**2. Scope of Work.** Grant Thornton shall be obligated only for the Services described in this Agreement, and only for changes in such scope that are set forth in writing and duly executed by the parties hereto. To the extent the scope of the

engagement is not appropriately documented, the parties shall work diligently and in good faith to document the necessary details at the request of either party. Except with respect to a dispute or litigation between Grant Thornton and the Company, Grant Thornton's costs, expenses and time spent in legal and regulatory matters or proceedings arising from this Agreement, such as subpoenas, testimony, bankruptcy fee filings, consultation involving private litigation, arbitration, government or industry regulation inquiries, whether made at your request, the request of a third party or by subpoena or equivalent will be billed to the Company separately at our standard rates for such services.

**3. Ability to Perform.** Neither party shall be liable for any delay or failure in performance due to circumstances beyond its reasonable control. However, it is possible that because of unexpected circumstances we may determine that we cannot complete our Services. If, in our professional judgment, such circumstances exist, we may resign from this engagement prior to completion without incurring any liability to you. In addition, Grant Thornton reserves the right to in whole or in part decline to perform Services if information comes to our attention indicating that performing any Services could cause us to be in violation of applicable law, regulations or standards or in a conflict of interest, or to suffer damage to our reputation.

**4. Standards of Performance.** We will perform our Services in conformity with the terms expressly set forth in this Agreement, including all applicable professional standards. Accordingly, our Services shall be evaluated solely on our substantial conformance with such terms and standards. Any claim of nonconformance (and applicability of such standards) must be clearly and convincingly shown. The Company acknowledges that the Services will involve the participation and cooperation of management and others of the Company. Unless required by professional standards or the Company and Grant Thornton agree otherwise, in writing, Grant Thornton shall have no responsibility to update any of its work after its completion.

**5. Successors and Affiliates.**

(a) Except to the extent expressly provided hereto to the contrary, no third-party beneficiaries are intended under this Agreement.



- (b) This Agreement is binding on each party hereto and on each of its successors, assigns, heirs, legatees and legal representatives.
- (c) The Company shall not assign any rights, obligations or claims relating to this Agreement.

**6. Electronic Communications.** During the course of our engagement, we may need to electronically transmit confidential information to each other and to third-party service providers or other entities engaged by either Grant Thornton or the Company. Electronic methods include telephones, cell phones, e-mail, and fax. These technologies provide a fast and convenient way to communicate. However, all forms of electronic communication have inherent security weaknesses, and the risk of compromised confidentiality cannot be eliminated. The Company agrees to the use of electronic methods to transmit and receive information, including confidential information.

**7. Privacy** Grant Thornton is committed to protecting personal information. We will maintain such information in confidence in accordance with professional standards and governing laws. Therefore, any personal information provided to us by the Company will be kept confidential and not disclosed to any third party unless expressly permitted by the Company or required by law, regulation, legal process, or professional standards. The Company is responsible for obtaining, pursuant to law or regulation, consents from parties that provided the Company with their personal information, which will be obtained, used, and disclosed by Grant Thornton for its required purposes.

**8. Payment Obligations.** If the Company breaches any payment obligation under this Agreement, and such breach is not cured within fifteen (15) days of its receipt of written notice of such breach, we may immediately (a) suspend performance of the Services, (b) change the payment conditions under this Agreement so that the Company must pay us weekly and in advance or (c) terminate this Agreement. If we elect to suspend our performance due to nonpayment, the Services will not be resumed until your account is paid as agreed. Alternatively, if we elect to terminate the Services due to nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all expenses through the date of termination.

**9. Warranty of Performance.** Grant Thornton warrants that it will perform its services on a reasonable professional efforts basis. This warranty is in lieu of, and we expressly disclaim, all other warranties, express, implied or otherwise, including without limitation any implied warranties of merchantability or fitness for a particular purpose. We cannot and do not warrant computer hardware,

software or services provided by other parties.

**10. Use of Deliverables.** (a) All "Deliverables" (as defined in the attached letter) are prepared solely for the internal use of Company's management, employees and board of directors. Except as provided below, upon full payment of our billings, Company shall acquire a perpetual, non-transferable, royalty-free license to use the Deliverables for Company's internal business purposes.

(b) Notwithstanding section 10(a) above, Grant Thornton shall retain sole and exclusive ownership of and all right, title and interest in and to the Deliverables and related intellectual property, including, without limitation, the know-how, concepts, techniques, methodologies, ideas, processes, models, templates, tools, utilities, routines and trade secrets that existed prior to this engagement or that, to the extent they are of general application, may have been discovered, created or developed by Grant Thornton as a result of its own efforts during this engagement (collectively, the "Grant Thornton Property"). Company shall acquire no right or interest in the Grant Thornton Property, except for a non-exclusive, non-transferable, royalty-free right to use such Grant Thornton Property solely in connection with Company's permitted use of the Deliverables. Company will not sublicense or otherwise grant any other party any rights to use, copy or otherwise exploit or create derivative works from the Grant Thornton Property.

(c) **Third Party Beneficiaries.** The information contained in documents prepared by Grant Thornton in the course of providing services under the terms of this Agreement is for the sole use of the Company in accordance with the purpose of this Agreement hereunder. The Deliverables are not for a third party's benefit or reliance, and Contractor disclaims any contractual or other responsibility or duty of care to others based upon the Services, Work Product or Deliverables. Any Work Product, Deliverables, or documents delivered by Contractor shall be released only as redacted in accordance with law or with the prior written permission of Contractor. Except to the extent expressly provided hereto to the contrary, no third-party beneficiaries are intended under this Agreement. Company agrees to apply any and all exceptions under the Texas Public Information Act to disclosure of Company records containing any Contractor confidential information protected by the Agreement and to promptly notify Contractor of any pending disclosure request under the Act pertaining thereto in order to enable Contractor to monitor and, if it so wishes, to the extent permitted by law, intervene to oppose such disclosure.

**11. Other Responsibilities.**

- (a) The documentation for this engagement (including the working papers) is not part of the Deliverables, is the property of Grant Thornton

and constitutes confidential information. We have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. However, we may be requested to make certain documentation available to Regulators pursuant to law or regulations. If requested, access to the documentation will be provided to the Regulator(s) under the supervision of Grant Thornton personnel and at a location designated by us. Furthermore, upon request, we may provide photocopies of selected documentation to the Regulator(s). The Regulator(s) may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies. The Company hereby authorizes us to allow the Regulator(s) access to, and photocopies of, the documentation in the manner discussed above.

- (b) The Company will remain responsible for the care and control of its premises, for all internal books and record keeping, for establishing and maintaining effective internal control systems and for all management functions, responsibilities and decisions.
- (c) Grant Thornton shall not be responsible or liable for any (i) service interruptions of or (ii) corruption or damages (whether direct, indirect, consequential or otherwise) to the Company's or third party's information systems and the information and data contained therein, including but not limited to denial of access, automatic shut-down of information systems caused by or resulting from Grant Thornton's performance of the Services.
- (d) Unless otherwise specified herein, the Company shall obtain for Grant Thornton on a timely basis any internal and third-party permissions, licenses or approvals that are required for Grant Thornton to perform the Services (including use of any necessary software or data). The Company shall also provide Grant Thornton, on a timely basis, with such information, approvals and assistance as may be necessary to Grant Thornton's work or as Grant Thornton may reasonably request, and Grant Thornton's personnel assigned to any work hereunder shall not be assumed or deemed to have knowledge of information provided to others, whether external to or within Grant Thornton.

## 12. General.

- (a) The Company may not use Grant Thornton's name or trademarks without our prior written consent.
- (b) Each party is an independent contractor with

respect to the other and shall not be construed as having a trustee, joint venture, agency or fiduciary relationship.

- (c) Any controversy or claim arising out of or relating to the Services or related fees shall first be submitted to voluntary mediation. A mediator will be selected by agreement of the parties, or if the parties cannot agree a mediator acceptable to all parties will be appointed by the American Arbitration Association. The mediation will proceed in accordance with the customary practice of mediation. In the unlikely event that such differences cannot be resolved by mediation, the parties recognize that the matter will probably involve complex business issues that would be decided most equitably by a judge hearing the evidence without a jury. Accordingly, the parties agree to waive any right to a trial by jury in any action, proceeding or counterclaim arising out of or relating to the Services and the related fees.

If the above jury trial waiver is determined to be prohibited by applicable law, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Grant Thornton office providing the Services is located unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act ("FAA") and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the American Arbitration Association ("AAA"), except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from AAA, JAMS, the Center for Public Resources or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to terminate or waive mediation, and arbitration will thereafter proceed expeditiously. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award non-monetary, equitable relief and will not have the right to award punitive damages. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as

confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential mediation or arbitration.

- (d) This Agreement, including its formation and the parties' respective rights and duties, and all disputes that might arise from or in connection with this Agreement or its subject matter shall be governed by and construed in accordance with the laws of Illinois, without giving effect to conflicts of laws rules.
- (c) This Agreement, including any other incorporated attachments, sets forth the entire understanding between and among the parties regarding the Services and supersedes all prior and contemporaneous agreements, arrangements and communications and may not be modified or amended except by the mutual written agreement of both parties. If any portion of this Agreement is held invalid, it is agreed that such invalidity shall not affect any of the remaining portions.

**13. Outsourcing to Third-Parties.** Grant Thornton is the U.S. member firm of Grant Thornton International Ltd., a global organization of member firms in over 100 countries. Member firms are not members of one international partnership or otherwise legal partners with each other. There is no common ownership, control, governance, or agency

relationship between member firms.

Grant Thornton may use third-party service providers, such as independent contractors, specialists or vendors, to assist in providing our professional services. The partners and staff of Grant Thornton International member firms or other accounting firms are also considered third-party service providers.

The Company hereby authorizes us to disclose its information to the above named third-party service providers.

**14. Hiring of Personnel.** When we lose a valued member of our engagement team, we incur significant expenses in hiring and training replacements. Also, in some situations, a client's employment of an engagement team member may raise independence issues. Accordingly, during the term of this engagement and for a period of one (1) year after the Services are completed, the Company agrees not to solicit, directly or indirectly, or hire any of our personnel who participate in this engagement without our express written consent. If this provision is violated, the Company will pay Grant Thornton a fee equal to the hired person's annual salary in effect at the time of the violation (unless a greater amount is contemplated in another existing engagement letter between us and the Company) to reimburse us for the costs of hiring and training replacement personnel.