ADDENDUM 1 TO
STATE OF OKLAHOMA CONTRACT WITH DELOITTE
RESULTING FROM SOLICITATION NO. 1600000037

This Addendum 1 ("Addendum") is an Amendment to the Contract (as defined below) awarded to Deloitte & Touche LLP in connection with Solicitation 1600000037 ("Solicitation") and is effective upon signatures being finalized.

Recitals

Whereas, the State of Oklahoma by and through the Office of Management and Enterprise Services on behalf of ODOC ("State") issued a Solicitation for proposals to provide qualified vendors for providing on site monitoring to ensure the proper expenditure and management of funds. Monitoring will consist of an in-depth review of their financial and programmatic compliance of the Community Development Block Grant-Disaster Recovery to promote full CDBG compliance with Federal Register Notice (FRN) Vol. 78, No.241 Dec 16, 2013 and FRN Vol. 79, No. 106 June 3,2014 as more particularly described in the Solicitation;

Whereas, the Solicitation defined “Contract” as consisting of the following documents in the following order of precedence: (i) Any Addendum to the Contract; (ii) Purchase order, as amended by Change Order (if applicable); (iii) the portion of the Solicitation that describe the services to be provided, as amended (if applicable); (iv) Successful bid (including required certifications), to the extent the bid does not conflict with the requirements of the solicitation or applicable law; and (v) Any contract(s) awarded pursuant to the solicitation shall be legibly written or typed;

Whereas, Deloitte & Touche LLP submitted a proposal which contained exceptions to the Solicitation terms and various other Contract Documents; and

Whereas, the State and Deloitte & Touche LLP have negotiated the final terms as set forth in Attachment A to this Addendum ("the Engagement Letter") under which Deloitte & Touche will provide the services under the Contract.

Now, therefore, in consideration of the foregoing and the mutual promises set forth herein, the receipt and sufficiency of which are hereby acknowledged the parties agree as follows:
1. **Addendum Purpose:**

This Addendum memorializes the agreement of the parties with respect to negotiated terms of the Contract that is being awarded to Deloitte & Touche LLP as of the date of the execution of this Addendum. The parties agree that Deloitte & Touche LLP has not yet begun performance of work contemplated by the Solicitation.

2. **Negotiated Documents of the Contract:**

2.1. The parties have negotiated certain terms of the Contract as set forth in:

   1. Attachment A to this Addendum entitled "Engagement Letter".

   Contract Documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above.

2.2. Accordingly, any reference to a Contract Document refers to such Contract Document as it may have been amended. If and to the extent any provision is in multiple documents and addresses the same or substantially the same subject matter but does not create an actual conflict, the more recent provision is deemed to supersede earlier versions. For avoidance of doubt, prior documents referenced as "Engagement Letter" submitted by Deloitte & Touche LLP are superseded in their entirety by this Addendum which includes Attachment A, the Engagement Letter.

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**State of Oklahoma**

By: [Signature]

Name: [Name]
Title: State Purchasing Director
Date: 3/30/18

**Deloitte & Touche LLP**

By: [Signature]

Name: Shawn Kilchrist
Title: Managing Director
Date: March 29, 2018
March 26, 2018

Mr. Vaughn Clark, Director of Community Development
Oklahoma Department of Commerce
900 N Stiles Avenue
Oklahoma City, OK 73104

Dear Mr. Clark:

This engagement letter is to confirm the engagement of Deloitte Advisory1 (“Advisor”) to provide State of Oklahoma’s Department of Commerce (“ODOC” or “Department”) the Grant Monitoring and Compliance Services described below (the “Services”).

SCOPE OF SERVICES

The nature of the Services Advisor is to perform for the Department as follows:

• Monitoring and Compliance Services for Seventeen (17) units of local government to carry out 45 individual projects. Based on this number ODOC will be requiring 100% monitoring of the program. Services will consist of on-site monitoring to ensure the proper expenditure and management of funds. Monitoring will consist of an in-depth review of their financial and programmatic compliance of the Community Development Block Grant-Disaster Recovery program to ensure full CDBG compliance with Federal Register Notice (FRN) Vol. 78, No. 241 Dec 16, 2013 and FRN Vol. 79, No. 106 June 3, 2014.

DELIVERABLES

The following deliverables will be provided to the Department during this engagement:

• Prepare compliance monitoring reports in order to note findings/concerns and necessary corrective action as appropriate. The reports will include each individual visit and technical assistance interaction. This report will be presented in a format acceptable to ODOC and can be supplemented by Deloitte’s standard site visit monitoring templates.

The State shall approve each Deliverable that conforms in all material respects to the requirements therefor set forth in this Engagement Letter. Approval of a Deliverable shall be deemed given if the State has not provided Advisor with written notice of such approval or with written notice that a Deliverable does not conform with the foregoing within fifteen (15) days of delivery.

1 As used in this engagement letter, “Deloitte Advisory” means Deloitte & Touche LLP.
The Services will be performed in accordance with the *Statement on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (AICPA).

**CHANGE ORDERS**

Either party may request changes to the Services, Deliverables, and/or any other aspect of this Engagement Letter through a written change request ("Change Request"). Promptly thereafter the parties shall discuss what impact the Change Request will have on the Services and Deliverables and on pricing, timing, and other terms of this Engagement Letter. Any changes to this Engagement Letter agreed upon by the parties as a result of the foregoing process shall be set forth in a change order signed by the parties ("Change Order"). Once a Change Order is signed it shall amend, and become part of, this Engagement Letter. Neither party is obligated to change the Services, Deliverables, or any other aspect of this Engagement Letter unless a Change Order for such change has been signed by the parties.

In the event of any delay encountered that is beyond the reasonable control of Advisory, failure by the State to meet its obligations under this Engagement Letter, or failure of an assumption listed in this Engagement Letter, Advisor shall be entitled to a Change Order to address the adverse impact of such event on Advisory.

**ENGAGEMENT STAFFING**

We have structured the following engagement team for the performance of the Services:

Shawn Kilchrist, Managing Director will participate as Engagement Leader, maintaining overall responsibility for the engagement on behalf of Advisor.

Gregory Eaton, Senior Manager will coordinate daily management of this engagement and be the technical leader.

Additional support may also be provided by other professionals who will be identified during this engagement.

**FEES, TIMING, AND OTHER SERVICES**

Our total fees for this engagement will be $235,770 and are based on the following hourly billing rates:
<table>
<thead>
<tr>
<th>Resource Level</th>
<th>Hourly Rate</th>
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</thead>
<tbody>
<tr>
<td>Partner/Principal/Director</td>
<td>$350</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>$300</td>
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<tr>
<td>Manager</td>
<td>$220</td>
</tr>
<tr>
<td>Senior Consultant</td>
<td>$185</td>
</tr>
<tr>
<td>Consultant</td>
<td>$150</td>
</tr>
</tbody>
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Such rates recognize the experience and special skills of the applicable personnel as well as the complexity of the Services.

Fees for this engagement will be billed biweekly as the work progresses for fees accrued by us since our last invoice in performing our Services.

Our fees are based upon Advisor’s current understanding of the requirements, the proposed approach, the estimate of the level of effort required, Advisor’s roles and responsibilities, any assumptions set forth herein, and active participation of the Department’s management and other personnel, as described in this engagement letter. Based on the complexity and duration of this project and in Advisor’s experience, issues sometimes arise that require procedures beyond what was initially anticipated. If this should occur, we will discuss it with you prior to performing any additional work.

This engagement is expected to start during April 2018 and be completed by the end of March 2019 with the option for ODOC to extend the services to March 2020.

ACKNOWLEDGMENTS AND AGREEMENTS

The Department acknowledges and agrees to the following:

- Substantial and meaningful involvement of the project lead of the Department is critical to the success of this engagement. The Department shall be responsible for ensuring that the identified Department personnel actively participate in both the planning and execution of this engagement.

- Advisor will not make any management decisions, perform any management functions, or assume any management responsibilities.

- Deliverables provided to the Department hereunder by Advisor are intended solely for the internal use of Oklahoma Department of Commerce, and should not be used or relied upon by any other person or entity other than oversight agencies for the performance of their oversight responsibilities.

- Deliverables provided to the Department hereunder by Advisor may be disclosed by the Department to the Department’s independent accountants to the extent required solely in connection with their audit of the Department’s financial statements.
• Advisor will retain copies of the deliverables and any information evidencing Advisor’s performance of the Services hereunder and any Department-confidential information contained in such retained materials shall remain subject to our confidentiality obligations set forth in the General Business Terms attached hereto as Exhibit A.

• The Services will not constitute an engagement to provide audit, compilation, review, or attestation services as described in the pronouncements on professional standards issued by the American Institute of Certified Public Accountants, the Public Department Accounting Oversight Board, or other regulatory body and, therefore, we will not express an opinion or any other form of assurance as a result of performing the Services.

This engagement letter, together with (a) the General Business Terms attached hereto as Exhibit A and made a part hereof, (b) incorporated in Addendum 1 to State of Oklahoma Contract with Deloitte Resulting from Solicitation No. 1600000037 (“Addendum 1”), (b) the portion of the bid documents issued by the State of Oklahoma and the response of Advisor that describe the services to be provided constitute the entire agreement between the Department and Advisor with respect to this engagement, supersede all other oral and written representations, understandings, or agreements relating to this engagement, and may not be amended except by the mutual written agreement of the Department and Advisor. If there is a conflict between the Addendum 1 (with the incorporated terms of the engagement letter together with the General Business Terms attached hereto), and the portion of the bid documents issued by the State of Oklahoma and the response of Advisor incorporated herein, the engagement letter together with the General Business Terms will control.

Please indicate your acceptance of this agreement by signing in the space provided below and returning this engagement letter to us. A duplicate of this engagement letter is provided for your records.

Very truly yours,

Deloitte & Touche LLP

By: [Signature]

Shawn Kilchrist, Managing Director

Accepted and Agreed to by the Oklahoma Department of Commerce:

By: [Signature]

Title: [Title]

Date: [Date]
EXHIBIT A — GENERAL BUSINESS TERMS

1. Services. The services provided by Deloitte Advisory (the “Services”) under the engagement letter to which these terms are attached (the “Engagement Letter”) may include advice and recommendations, but Deloitte Advisory will not make any decisions on behalf of Client in connection with the implementation of such advice and recommendations. For purposes of these terms and the Engagement Letter, “Client” shall mean the entity as defined in the Engagement Letter.

2. Payment of Invoices. Client will compensate Deloitte Advisory under the terms of the Engagement Letter for the Services performed and expenses incurred, through the term or effective date of termination of this engagement. Deloitte Advisory’s invoices are due upon receipt. Client shall be responsible for any taxes imposed on the Services or on this engagement, other than taxes imposed by employment withholding for Deloitte Advisory personnel or on Deloitte Advisory’s income or property.

3. Term. Unless terminated sooner as set forth below, this engagement shall terminate upon the completion of the Services. Either party may terminate this engagement, with or without cause, by giving thirty (30) days’ prior written notice to the other party. In the event of a termination for cause, the breaching party shall have the right to cure the breach within the notice period. Deloitte Advisory may terminate this engagement upon written notice to Client if Deloitte Advisory determines that the performance of any part of the Services would be in conflict with law, or independence or professional rules.

4. Deliverables.

   a) Deloitte Advisory has rights in, and may, in connection with the performance of the Services, use, create, modify, or acquire rights in, works of authorship, materials, information, and other intellectual property (collectively, the “Deloitte Advisory Technology”).

   b) Upon full payment to Deloitte Advisory hereunder, and subject to the terms and conditions contained herein, (i) the tangible items specified as deliverables or work product in the Engagement Letter (the “Deliverables”) shall become the property of Client, and (ii) Deloitte Advisory hereby grants Client a royalty-free, fully paid-up, worldwide, nonexclusive license to use the Deloitte Advisory Technology contained in the Deliverables in connection with the use of such Deliverables. Except for the foregoing license grant, Deloitte Advisory or its licensors retain all rights in and to all Deloitte Advisory Technology.

   c) To the extent any Deloitte Advisory Technology provided to Client hereunder constitutes inventory within the meaning of section 471 of the Internal Revenue Code, such Deloitte Advisory Technology is licensed to Client by Deloitte Advisory as agent for Deloitte & Touche Products Company LLC on the terms and conditions contained herein. The rights granted in this Section 4 do not apply to any Deloitte Advisory Technology that is subject to a separate license agreement between Client and any third party (including Deloitte Advisory’s affiliates).
5. Limitation on Warranties. This is a services engagement. Deloitte Advisory warrants that it shall perform the Services in good faith and with due professional care. **DELOITTE ADVISORY DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

6. Limitation on Damages and Indemnification.

   a) Deloitte Advisory, its subsidiaries and subcontractors, and their respective personnel shall not be liable to Client for any claims, liabilities, or expenses relating to this engagement ("Claims") for an aggregate amount in excess of the fees paid by Client to Deloitte Advisory pursuant to this engagement. In no event shall Deloitte Advisory, its subsidiaries or subcontractors, or their respective personnel be liable to Client for any loss of use, data, goodwill, revenues, or profits (whether or not deemed to constitute a direct Claim), or any consequential, special, indirect, incidental, punitive, or exemplary loss, damage, or expense relating to this engagement. The foregoing limitation on damages does not apply to Claims to the extent resulting from Deloitte Advisory's own fraud, willful injury to person or property or violation of law, whether willful or negligent.

   b) In circumstances where any limitation on damages or indemnification provision hereunder is unavailable, the aggregate liability of Deloitte Advisory, its subsidiaries and subcontractors, and their respective personnel for any Claim shall not exceed an amount that is proportional to the relative fault that the conduct of Deloitte Advisory and its subcontractors bears to all other conduct giving rise to such Claim.

7. Client Responsibilities. Client shall cooperate with Deloitte Advisory in the performance of the Services, including providing Deloitte Advisory with reasonable facilities and timely access to data, information, and personnel of Client. With respect to the data and information provided by Client to Deloitte Advisory or its subcontractors for the performance of the Services, Client shall have all rights required to provide such data and information, and shall do so only in accordance with applicable law and with any procedures agreed upon in writing. Client shall be solely responsible for, among other things (a) the performance of its personnel and agents; (b) the accuracy and completeness of all data and information provided to Deloitte Advisory for purposes of the performance of the Services; (c) making all management decisions, performing all management functions, and assuming all management responsibilities; (d) designating a competent management member to oversee the Services; (e) evaluating the adequacy and results of the Services; (f) accepting responsibility for the results of the Services; and (g) establishing and maintaining internal controls, including monitoring ongoing activities. Deloitte Advisory's performance is dependent upon the timely and effective satisfaction of Client's responsibilities hereunder and timely decisions and approvals of Client in connection with the Services. Deloitte Advisory shall be entitled to rely on all decisions and approvals of Client.

8. Force Majeure. Neither party shall be liable for any delays or nonperformance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including fire, epidemic or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order, or requirement of any governmental agency or authority.
10. **Independent Contractor.** Each party hereto is an independent contractor and neither party is, nor shall be considered to be, nor shall purport to act as, the other’s agent, partner, fiduciary, joint venture, or representative.

11. **Confidentiality and Internal Use.**

   a) All Services and Deliverables shall be solely for Client’s benefit, and are not intended to be relied upon by any person or entity other than Client. Client shall not disclose the Services or Deliverables, or refer to the Services or Deliverables in any communication, to any person or entity except (i) as specifically set forth in the Engagement Letter, (ii) to Client’s contractors solely for the purpose of their providing services to Client relating to the subject matter of this engagement, provided that such contractors comply with the restrictions on disclosure set forth in this sentence; or (iii) as required by the Oklahoma Open Record Act, 51 O.S.2011, §§ 24A.1 to 24A.29, or to respond to inquiries by the Executive or Legislative branches of the Oklahoma government. Client, however, may create its own materials based on the content of such Services and Deliverables and use and disclose such Client-created materials for external purposes, provided that, Client does not in any way, expressly or by implication, attribute such materials to Deloitte Advisory or its subcontractors.

   b) To the extent that, in connection with this engagement, either party (each, the “receiving party”) comes into possession of any confidential information of the other (the “disclosing party”), it will not disclose such information to any third party without the disclosing party’s consent, using at least the same degree of care as it employs in maintaining in confidence its own confidential information of a similar nature, but in no event less than a reasonable degree of care. The disclosing party hereby consents to the receiving party disclosing such information: (i) as expressly permitted in the Engagement Letter; (ii) to contractors providing administrative, infrastructure, and other support services to the receiving party and subcontractors providing services in connection with this engagement, in each case, whether located within or outside of the United States, provided that such contractors and subcontractors have agreed to be bound by confidentiality obligations similar to those in this Section 11(b); (iii) as may be required by law or regulation including the Oklahoma Open Record Act, 51 O.S.2011, §§ 24A.1 to 24A.29, or to respond to governmental inquiries, including those of the Executive or Legislative branches of the Oklahoma government, or in accordance with applicable professional standards or rules, or in connection with litigation or arbitration pertaining hereto; or (iv) to the extent such information (a) is or becomes publicly available other than as the result of a disclosure in breach hereof, (b) becomes available to the receiving party on a nonconfidential basis from a source that the receiving party believes is not prohibited from disclosing such information to the receiving party, (c) is already known by the receiving party without any obligation of confidentiality with respect thereto, or (d) is developed by the receiving party independently of any disclosures made to the receiving party hereunder. Nothing in this Section 11(b) shall alter Client’s obligations under Section 11(a). Deloitte Advisory, however, may use and disclose any knowledge and ideas acquired in connection with the Services to the extent they are retained in the unaided memory of its personnel.
12. Survival and Interpretation. All provisions that are intended by their nature to survive performance of the Services shall survive such performance, or the expiration or termination of this engagement. For purposes of these terms and the Engagement Letter, “Deloitte Advisory” or “Advisor” shall mean Deloitte & Touche LLP. No affiliated or related entity of Deloitte Advisory, or such entity’s personnel, shall have any liability hereunder to Client and Client will not bring any action against any such affiliated or related entity or such entity’s personnel in connection with this engagement. Without limiting the foregoing, such affiliated and related entities are intended third-party beneficiaries of these terms, and may in their own right enforce such terms. Each of the provisions of these terms shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise, notwithstanding the failure of the essential purpose of any remedy. Any references herein to the term “including” shall be deemed to be followed by “without limitation.”

13. Assignment and Subcontracting. Except as provided below, neither party may assign any of its rights or obligations (including interests or Claims) relating to this engagement or the Services, without the prior written consent of the other party. Client hereby consents to Deloitte Advisory subcontracting or assigning any portion of the Services to any affiliate or related entity, whether located within or outside of the United States. Services performed hereunder by Deloitte Advisory’s subcontractors shall be invoiced as professional fees on the same basis as Services performed by Deloitte Advisory’s personnel unless otherwise agreed.

14. Non-exclusivity. Deloitte Advisory may (a) provide any services to any person or entity, and (b) develop for itself, or for others, any materials or processes, including those that may be similar to those produced as a result of the Services, provided that Deloitte Advisory complies with its obligations of confidentiality set forth hereunder.

15. Entire Agreement, Amendment, and Notices. These terms, and the Engagement Letter, including attachments, constitute the entire agreement between the parties with respect to this engagement; supersede all other oral and written representations, understandings, or agreements relating to this engagement; and may not be amended except by a written agreement signed by the parties. In the event of any conflict or ambiguity between these terms and the Engagement Letter, these terms shall control. All notices hereunder shall be (a) in writing; (b) delivered to the representatives of the parties at the addresses set forth in the Engagement Letter, unless changed by either party by notice to the other party; and (c) effective upon receipt.

16. Governing Law, Jurisdiction and Venue, and Severability. These terms, the Engagement Letter, including attachments, and all matters relating to this engagement shall be governed by, and construed in accordance with, the laws of the State of Oklahoma (without giving effect to the choice of law principles thereof). Any action based on or arising out of this engagement or the Services shall be brought and maintained exclusively in any state or federal court, in each case located in Oklahoma County, the State of Oklahoma. Each of the parties hereby expressly and irrevocably submits to the jurisdiction of such courts for the purposes of any such action and expressly and irrevocably waives, to the fullest extent permitted by law, any objection that it may have or hereafter may have to the laying of venue of any such action brought in any such court and any claim that any such action has been
brought in an inconvenient forum. If any provision of these terms or the Engagement Letter is unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein.