

February 1, 2021

Town of Yorktown
c/o Mr. Pete Olson
9800 West Smith Street
Yorktown, IN 47396

RE: Engagement Letter Agreement Related to Services

This letter agreement (the "Engagement Letter") is to confirm our understanding of the basis upon which Baker Tilly US, LLP ("Baker Tilly") and its affiliates are being engaged by Town of Yorktown (the "Client") to assist the Client with advisory services.

Scope, Objectives and Approach

It is anticipated that projects undertaken in accordance with this Engagement Letter will be at the request of the Client. The scope of services, additional terms and associated fee for individual engagements will be contained in a Scope Appendix or Appendices to this Engagement Letter. Authorization to provide services will commence upon execution and return of this Engagement Letter and one or more Appendices.

Management's Responsibilities

It is understood that Baker Tilly will serve in an advisory capacity with the Client. The Client is responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee the services we provide. The Client is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. The Client is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

The procedures we perform in our engagement will be heavily influenced by the representations that we receive from Client personnel. Accordingly, false representations could cause material errors to go undetected. The Client, therefore, agrees that Baker Tilly will have no liability in connection with claims based upon our failure to detect material errors resulting from false representations made to us by any Client personnel and our failure to provide an acceptable level of service due to those false representations.

The ability to provide service according to timelines established and at fees indicated will rely in part on receiving timely responses from the Client. The Client will provide information and responses to deliverables within the timeframes established in a Scope Appendix unless subsequently agreed otherwise in writing.

The responsibility for auditing the records of the Client rests with the Client's separately retained auditor and the work performed by Baker Tilly shall not include an audit or review of the records or the expression of an opinion on financial data.

Ownership of Intellectual Property

Unless otherwise stated in a specific Scope Appendix, subject to Baker Tilly's rights in Baker Tilly's Knowledge (as defined below), Client shall own all intellectual property rights in the deliverables developed under the applicable Scope Appendix or Appendices ("Deliverables"). Notwithstanding the foregoing, Baker Tilly will maintain all ownership right, title and interest to all Baker Tilly's Knowledge. For purposes of this Agreement "Baker Tilly's Knowledge" means Baker Tilly's proprietary programs, modules, products, inventions, designs, data, or other information, including all copyright, patent, trademark and other intellectual property rights related thereto, that are (1) owned or developed by Baker Tilly prior to the Effective Date of this Agreement or the applicable Scope Appendix or Appendices ("Baker Tilly's Preexisting Knowledge") (2) developed or obtained by Baker Tilly after the Effective Date, that are reusable from client to client and project to project, where Client has not paid for such development; and (3) extensions, enhancements, or modifications of Baker Tilly's Preexisting Knowledge which do not include or incorporate Client's confidential information. To the extent that any Baker Tilly Knowledge is incorporated into the Deliverables, Baker Tilly grants to Client a non-exclusive, paid up, perpetual royalty-free worldwide license to use such Baker Tilly Knowledge in connection with the Deliverables, and for no other purpose without the prior written consent of Baker Tilly. Additionally, Baker Tilly may maintain copies of its work papers for a period of time and for use in a manner sufficient to satisfy any applicable legal or regulatory requirements for records retention.

The supporting documentation for this engagement, including, but not limited to work papers, is the property of Baker Tilly and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain documentation available to required third parties, the Client hereby authorizes us to do so.

Timing and Fees

Specific services will commence upon execution and return of a Scope Appendix to this Engagement Letter and our professional fees will be based on the rates outlined in such Scope Appendix.

Unless otherwise stated, in addition to the fees described in a Scope Appendix the Client will pay all of Baker Tilly's reasonable out-of-pocket expenses incurred in connection with the engagement. All out of pocket costs will be passed through at cost and will be in addition to the professional fee.

Dispute Resolution

Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Engagement Letter or the applicable Scope Appendix or Appendices as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation, or termination of this Agreement or the applicable Scope Appendix or Appendices as shall be resolved as set forth in this section using the following procedure: In the unlikely event that differences concerning the services or fees provided by Baker Tilly should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties agree to expressly waive trial by jury in any judicial proceeding involving directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of, related to, or connected with this Agreement or the applicable Scope Appendix or Appendices as or the relationship of the parties established hereunder.

Because a breach of any the provisions of this Engagement Letter or the applicable Scope Appendix or Appendices as concerning confidentiality or intellectual property rights will irreparably harm the non-breaching party, Client and Baker Tilly agree that if a party breaches any of its obligations thereunder, the non-breaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including, but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the mediation procedures set forth in this section in order to seek injunctive or declaratory relief.

Limitation on Damages

To the extent allowed under applicable law, the aggregate liability (including attorney's fees and all other costs) of either party and its present or former partners, principals, agents or employees to the other party related to the services performed under an applicable Scope Appendix or Appendices shall not exceed the fees paid to Baker Tilly under the applicable Scope Appendix or Appendices to which the claim relates, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of the at-fault party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays or interruptions arising out of or related to this Engagement Letter or the applicable Scope Appendix or Appendices as even if the other party has been advised of the possibility of such damages.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within twelve (12) months after the performance of the services for which the action is brought, without consideration as to the time of discovery of any claim.

Other Matters

E-Verify Program

Baker Tilly participates in the E-Verify program. For the purpose of this paragraph, the E-Verify program means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigration Responsibility Act of 1996 (P.L. 104-208), Division C, Title IV, s.401(a), as amended, operated by the United States Department of Homeland Security or a successor work authorization program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work authorization status of newly hired employees under the Immigration Reform and Control Act of 1986 (P.L. 99-603). Baker Tilly does not employ any "unauthorized aliens" as that term is defined in 8 U.S.C. 1324a(h)(3).

Investments

Baker Tilly certifies that pursuant to Indiana Code 5-22-16.5 *et seq.* Baker Tilly is not now engaged in investment activities in Iran. Baker Tilly understands that providing a false certification could result in the fines, penalties, and civil action listed in I.C. 5-22-16.5-14.

Non-Discrimination

Pursuant to Indiana Code §22-9-1-10, Baker Tilly and its subcontractors, if any, shall not discriminate against any employee or applicant for employment to be employed in the performance of this Engagement Letter, with respect to hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of race, religion, color, sex, disability, national origin, ancestry, or veteran status. Breach of this covenant may be regarded as a material breach of this Engagement Letter.

Baker Tilly certifies that, except for de minimis and non-systematic violations, it has not violated the terms of I.C. 24-4.7, I.C. 24-5-12, or I.C. 24-5-14 in the previous three hundred sixty-five (365) days, even if I.C. 24-4.7 is preempted by federal law, and that Baker Tilly will not violate the terms of I.C. 24-4.7 for the duration of the Engagement Letter, even if I.C. 24-4.7 is preempted by federal law. Baker Tilly further certifies that any affiliate or principal of Baker Tilly and any agent acting on behalf of Baker Tilly or on behalf of any affiliate or principal of Baker Tilly, except for de minimis and non-systematic violations, has not violated the terms of I.C. 24-4.7 in the previous three hundred sixty-five (365) days, even if I.C. 24-4.7 is preempted by federal law, and will not violate the terms of I.C. 24-4.7 for the duration of the Engagement Letter, even if I.C. 24-4.7 is preempted by federal law.

In the event Baker Tilly is requested by the Client; or required by government regulation, subpoena, or other legal process to produce our engagement working papers or its personnel as witnesses with respect to its Services rendered for the Client, so long as Baker Tilly is not a party to the proceeding in which the information is sought, Client will reimburse Baker Tilly for its professional time and expenses, as well as the fees and legal expenses incurred in responding to such a request.

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated, or subcontracted by either party without the 'written consent of the other party. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

In the event that any provision of this Engagement Letter or statement of work contained in a Scope Appendix hereto is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Engagement Letter or statement of work did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission with respect to Client, such that any provision of this Engagement Letter would impair Baker Tilly's independence under its rules, such provision(s) shall be of no effect.

Termination

Both the Client and Baker Tilly have the right to terminate this Engagement Letter or any work being done under an individual Scope Appendix at any time after reasonable advance written notice. On termination, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Scope Appendix will terminate 60 days after completion of the services in such Appendix.

Important Disclosures

Incorporated as Attachment A and part of this Engagement Letter are important disclosures. These include disclosures that apply generally and those that are applicable in the event Baker Tilly is engaged to provide municipal advisory services.

This Engagement Letter, including the attached Disclosures as updated from time to time, comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals, oral or written, and all other communications between the parties. Both parties acknowledge that work performed pursuant to the Engagement Letter will be done through Scope Appendices executed and made a part of this document.

Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Engagement Letter shall survive the expiration or termination of this Engagement Letter or any statement of work contained in a Scope Appendix hereto.

If this Engagement Letter is acceptable, please sign below and return one copy to us for our files.

Sincerely,

Paige E. Sansone

Paige E. Sansone, Partner

Signature Section:

The terms as set forth in this Engagement Letter are agreed to on behalf of the Client by:

Name: _____
Title: _____
Date: _____

Attachment A Important Disclosures

Non-Exclusive Services

Client acknowledges and agrees that Baker Tilly, including but not limited to Baker Tilly US, LLP, Baker Tilly Municipal Advisors, LLC, Baker Tilly Capital, LLC, and Baker Tilly Investment Services, LLC, is free to render municipal advisory and other services to the Client or others and that Baker Tilly does not make its services available exclusively to the Client.

Affiliated Entities

Baker Tilly US, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly US, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

Baker Tilly Investment Services, LLC ("BTIS"), a U.S. Securities and Exchange Commission ("SEC") registered investment adviser, may provide services to the Client in connection with the investment of proceeds from an issuance of securities. In such instances, services will be provided under a separate engagement, for an additional fee. Notwithstanding the foregoing, Baker Tilly may act as solicitor for and recommend the use of BTIS, but the Client shall be under no obligation to retain BTIS or to otherwise utilize BTIS relative to Client's investments. The fees paid with respect to investment services are typically based in part on the size of the issuance proceeds and Baker Tilly may have incentive to recommend larger financings than would be in the Client's best interest. Baker Tilly will manage and mitigate this potential conflict of interest by this disclosure of the affiliated entity's relationship, a Solicitation Disclosure Statement when Client retains BTIS's services and adherence to Baker Tilly's fiduciary duty and/or fair dealing obligations to the Client.

Baker Tilly Capital, LLC ("BTC") Baker Tilly Capital, LLC ("BTC") is a limited service broker-dealer specializing in merger and acquisition, capital sourcing, project finance and corporate finance advisory services. BTC does not participate in any municipal offerings advised on by its affiliate Baker Tilly Municipal Advisors. Any services provided to Client by BTC would be done so under a separate engagement for an additional fee.

Baker Tilly Municipal Advisors ("BTMA") is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the SEC and the Municipal Securities Rulemaking Board ("MSRB"). As such, BTMA may provide certain specific municipal advisory services to the Client. BTMA is neither a placement agent to the Client nor a broker/dealer. The offer and sale of any Bonds is made by the Client, in the sole discretion of the Client, and under its control and supervision. The Client acknowledges that BTMA does not undertake to sell or attempt to sell bonds or other debt obligations and will not take part in the sale thereof.

Baker Tilly, may provide services to the Client in connection with human resources consulting, including, but not limited to, executive recruitment, talent management and community survey services. In such instances, services will be provided under a separate scope of work for an additional fee. Certain executives of the Client may have been hired after the services of Baker Tilly were utilized and may make decisions about whether to engage other services of Baker Tilly or its subsidiaries. Notwithstanding the foregoing, Baker Tilly may recommend the use of Baker Tilly or a subsidiary, but the Client shall be under no obligation to retain Baker Tilly or a subsidiary or to otherwise utilize either relative to the Client's activities.

Conflict Disclosure Applicable to Municipal Advisory Services Provided by BTMA

Legal or Disciplinary Disclosure. BTMA is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving BTMA. Pursuant to MSRB Rule G-42, BTMA is required to disclose any legal or disciplinary event that is material to the Client's evaluation of BTMA or the integrity of its management or advisory personnel.

There are no criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations or civil litigation involving BTMA. Copies of BTMA filings with the SEC can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Baker Tilly Municipal Advisors, LLC or for our CIK number which is 0001616995. The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

Contingent Fee. The fees to be paid by the Client to BTMA are or may be based on the size of the transaction and partially contingent on the successful closing of the transaction. Although this form of compensation may be customary in the municipal securities market, it presents a conflict because BTMA may have an incentive to recommend unnecessary financings, larger financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause a financing or other transaction to be delayed or fail to close, BTMA may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Hourly Fee Arrangements. Under an hourly fee form of compensation, BTMA will be paid an amount equal to the number of hours worked multiplied by an agreed upon billing rate. This form of compensation presents a potential conflict of interest if BTMA and the Client do not agree on a maximum fee under the applicable Appendix to this Engagement Letter because BTMA will not have a financial incentive to recommend alternatives that would result in fewer hours worked. In addition, hourly fees are typically payable by the Client whether or not the financing transaction closes.

Fixed Fee Arrangements. The fees to be paid by the Client to BTMA may be in a fixed amount established at the outset of the service. The amount is usually based upon an analysis by Client and BTMA of, among other things, the expected duration and complexity of the transaction and the work documented in the Scope Appendix to be performed by Baker Tilly. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Baker Tilly may suffer a loss. Thus, Baker Tilly may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives.

BTMA manages and mitigates conflicts related to fees and/or other services provided primarily through clarity in the fee to be charged and scope of work to be undertaken and by adherence to MSRB Rules including, but not limited to, the fiduciary duty which it owes to the Client requiring BTMA to put the interests of the Client ahead of its own and BTMA's duty to deal fairly with all persons in its municipal advisory activities.

To the extent any additional material conflicts of interest have been identified specific to a scope of work the conflict will be identified in the respective Scope Appendix. Material conflicts of interest that arise after the date of a Scope Appendix will be provide to the Client in writing at that time.

**RE: Proposed Comprehensive Financial and Capital Plan
DATE: February 1, 2021**

This Scope Appendix is attached by reference to the above named engagement letter (the "Engagement Letter") between Town of Yorktown (the "Client") and Baker Tilly US, LLP and relates to services to be provided by Baker Tilly Municipal Advisors, LLC.

SCOPE OF WORK

Baker Tilly Municipal Advisors ("BTMA") will perform the following services:

A. Comprehensive Financial Plan (Consulting Services)

Assist the Client in the development of a five year financial model as follows:

1. Assist with the development of a cash flow model as detailed in B and C below for major funds to include:
 - a. General (#101)
 - b. Fire (#111)
 - c. Community Assistance (#184)
 - d. MVH (#201 and #203)
 - e. Local Road and Street (#202)
 - f. Parks (#204)
 - g. LIT Public Safety (#257)
 - h. CCI Cig Tax (#301)
 - i. Cum Fire Equip (#401)
 - j. CCD (#403)
 - k. EDIT (#444)
 - l. Cemetery Oper (#444)
 - m. Lease Rental Canal St. (#350)
 - n. Utilities
 - Water
 - Sewer
2. Analyze historical financial information of all major operating funds of the Client for the years ended December 31, 2019 and December 31, 2020 based upon reports and records of the Client, in order to identify trends in revenues, expenditures and fund balances.
3. Develop estimated financial information for all major operating funds of the Client for the calendar years 2021 through and including 2025. Provide estimates of property tax collections, circuit breaker tax credits, income tax collections and planned expenditures for Client operations, maintenance, capital expenditures and debt service requirements.
4. Recommend a level of minimum fund balances to be maintained.
5. Identify fund balances within non-major funds that may be available to fund General Fund or other operating expenditures and provide a description of the authorized uses of fund balances.
6. Identify potential shortfalls in revenues and provide suggestions, as available, to bridge funding gaps.
7. Provide a preliminary report of our findings and recommendations to the Client and present a summary of the report to the Council.

B. Capital Plan (Consulting and Compilation Services)

1. Confer, as needed, with Client officials, department heads, employees, consulting engineers, and other individuals to determine the capital improvement needs of the Client in the project planning period and the estimated costs of those projects.
2. With the assistance of the Client, determine on a preliminary basis, the availability of any funds currently on hand and analyze the corresponding reserve requirements and net funds available for the Capital Projects. Make recommendations regarding the use of funds on hand.
3. Analyze the outstanding debt of the Client and identify potential opportunities for debt refinancing or restructuring.
4. Investigate and determine alternative methods of financing the proposed Capital Projects Plan, including the use of bond financing, pay-as-you-go, funds on hand, grant funds, etc.
5. Prepare a preliminary draft report summarizing our findings, discussing the potential impact on taxpayers and ratepayers, and meeting with Client officials.
6. Prepare a formal presentation for considerations by the Client and attend meetings with Client officials to communicate results, as needed.
7. Finalize the report on financing the Capital Projects and project funding alternatives.

C. Other Accounting and Required Support Services (Consulting Services)

1. Attend monthly financial committee meetings.
2. Attend other meetings not covered under the Articles above.
3. Provide other required accounting support services.

Nonattest Services

As part of this engagement, we will perform certain nonattest services. For purposes of the Engagement Letter and this Scope Appendix, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

**SCOPE APPENDIX to
Engagement Letter dated: February 1, 2021
Between Town of Yorktown and
Baker Tilly US, LLP**

Compensation and Invoicing

BTMA's fees for services set forth in the Scope Appendix will be:

	<u>Service</u>	<u>Fees</u>
A.	Comprehensive Financial Plan- Civil Funds	\$20,000
	Comprehensive Financial Plan- Utility Funds	\$5,000
B.	Capital Plan	Time & Expense not to exceed \$10,000*
C.	Other Accounting and Required Support Services	Time & Expense*

*BTMA's fees will be billed at BTMA's standard billing rates based on the actual time and expenses incurred.

Standard Hourly Rates by Job Classification
1/1/2021

Partners / Principals / Directors	\$240.00	to	\$500.00
Managers	\$200.00	to	\$325.00
Senior Consultants	\$150.00	to	\$250.00
Consultants	\$135.00	to	\$200.00
Municipal Bond Disclosure Specialists	\$120.00	to	\$190.00
Support Personnel	\$110.00	to	\$150.00
Interns	\$90.00	to	\$110.00

- *Billing rates are subject to change periodically due to changing requirements and economic conditions. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.*

The above fees shall include all expenses incurred by BTMA with the exception of expenses incurred for mileage which will be billed on a separate line item. No such expenses will be incurred without the prior authorization of the Client. The fees do not include the charges of other entities such as rating agencies, bond and official statement printers, couriers, newspapers, bond insurance companies, bond counsel and local counsel, and electronic bidding services, including Parity[®]. Coordination of the printing and distribution of Official Statements or any other Offering Document are to be reimbursed by the Client based upon the time and expense for such services.

Conflicts of Interest

Attachment A to the Engagement Letter contains important disclosure information that is applicable to this Scope Appendix.

We are unaware of any additional conflicts of interest related to this Scope Appendix that exist at this time.

**SCOPE APPENDIX to
Engagement Letter dated: February 1, 2021
Between Town of Yorktown and
Baker Tilly US, LLP**

Termination

Notwithstanding termination provisions contained in the Engagement Letter, this Scope Appendix is intended to be ongoing and applicable individually to specific services including financings, arbitrage computations, and/or continuing disclosure engagement, ("Sub-engagements") as if they are the sole subject of the Scope Appendix. As such, termination may occur for a specific Sub-engagement without terminating the Scope Appendix itself. On termination of a Sub-engagement or the Scope Appendix, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Sub-engagement performed under this Scope Appendix will terminate 60 days after completion of the services for such Sub-engagement.

If this Scope Appendix is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,

Paige E. Sansone

Paige E. Sansone, Partner

Signature Section:

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client by:

Name: _____
Title: _____
Date: _____

RE: Compilation and Projection Accounting Services

Compilation of Historical Financial Statements

Our Responsibilities:

The objective of our engagement is to apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America or the cash basis of accounting based on information provided by you.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care when performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

We in our sole professional judgement, reserve the right to refuse any procedure or take any action that could be construed as assuming management responsibilities.

Your Responsibilities:

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America or with the cash basis of accounting. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of the cash basis of accounting or accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with the cash basis of accounting or accounting principles generally accepted in the United States of America.
3. The election to omit substantially all disclosures normally included in the financial statements in accordance with the cash basis of accounting or accounting principles generally accepted in the United States of America.
4. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
5. The prevention and detection of fraud.

**SCOPE APPENDIX to
Engagement Letter dated: February 1, 2021
Between Town of Yorktown and
Baker Tilly US, LLP**

6. To ensure that the Client complies with the laws and regulations applicable to its activities.
7. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
8. To provide us with –
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - additional information that we may request from you for the purpose of the compilation engagement.
 - unrestricted access to persons within the Client of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our compilation of your financial statements. You are also responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report:

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so.

Compilation of a Projection Accounting Services

We will compile, in accordance with attestation standards established by the American Institute of Certified Public Accountants, from information management provides, the projected operating revenues, cash operation and maintenance expenses, non-operating revenues, and debt service coverage or projected operating receipts, operation and maintenance disbursements, non-operating receipts and debt service coverage, and summaries of significant assumptions and accounting policies of the Client. A compilation is limited to presenting, in the form of projected financial statements, information that is the representation of management. We will not examine the projected financial statements and therefore, will not express any form of assurance on the achievability of the projection or reasonableness of the underlying assumptions.

A compilation of a financial projection involves assembling the projection based on management's assumptions and performing certain other procedures with respect to the projection without evaluating the support for, or expressing an opinion or any form of assurance on, the assumptions underlying it.

If for any reason we are unable to complete our compilation of your financial projection, we will not issue a report on it as a result of this engagement.

**SCOPE APPENDIX to
Engagement Letter dated: February 1, 2021
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A financial projection presents, to the best of management's knowledge and belief, the Client's expected operating revenues, cash operating expenses, non-operating revenues and debt service coverage or operation receipts, operating disbursements, non-operating revenues and debt service coverage for the projection period assuming the construction and financing of the proposed improvement projects. It is based on management's assumptions, reflecting conditions it expects would exist and courses of action it expects would be taken during the projection period assuming management's assumptions concerning future events and circumstances.

Management is responsible for representations about its plans and expectations and for disclosure of significant information that might affect the ultimate realization of the projected results.

Even if the Client construction and financing of the proposed improvement projects were to occur, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Our report will contain a statement to that effect.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

In order for us to complete this engagement, management must provide assumptions that are appropriate for the projection. If the assumptions provided are inappropriate and have not been revised to our satisfaction, we will be unable to complete the engagement and, accordingly, we will not issue a report on the projection.

We understand that the projection and our report thereon will be used only for presentation to the Indiana State Revolving Program or other designated entities. If management intends to reproduce the projection and our report thereon, they must be reproduced in their entirety, and both the first and subsequent corrected drafts of the document containing the projection and any accompanying material must be submitted to us for approval.

We will assist in preparing the above-described projection of debt service coverage and summaries of significant assumptions and accounting policies of the Client based on information provided by you. The preparation of a financial projection involves the computer processing of, and the mathematical and other clerical functions related to, the presentation of the projection, which is based on management's assumptions. The other services are limited to the preparation services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the projection preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience evaluate the adequacy and results of the services; and accept responsibility for them.