



REQUEST FOR PROPOSAL

To Perform Financial Audit Services

February 2026

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***Stanislaus County Employees' Retirement Association***

832 12<sup>th</sup> Street, Suite 600,

Modesto, California 95354

Phone: (209) 525-6393

[taaa@stancera.org](mailto:taaa@stancera.org)

[www.stancera.org](http://www.stancera.org)

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## **INTRODUCTION AND BACKGROUND**

StanCERA is soliciting proposals from qualified public accounting firms to provide financial audit services to the StanCERA Board of Retirement and staff, beginning with the fiscal year ending June 30, 2026.

The Stanislaus County Employees' Retirement Association (StanCERA) is an independent, multi-employer public retirement trust established under California Government Code Section 31450 et seq., governed by a nine-member Board of Trustees.

StanCERA administers approximately \$3.3 billion in pension assets as of Dec 2025 across diversified public and private investments and utilizes multiple investment managers, a custodial bank, and external investment consultants. Financial audits have been conducted annually by the current audit firm for the past six years.

StanCERA administers retirement benefits for multiple participating employers and approximately 11,524 members across general and safety classifications with multiple benefit tiers. StanCERA uses QuickBooks Online for accounting and Arrivos for benefits administration, contributions, and membership records. The most recent history of the Annual Comprehensive Financial Report (ACFR) is available at [www.stancera.org](http://www.stancera.org).

## **SERVICES TO BE PROVIDED**

### **Financial Audit Services**

#### **A. General**

StanCERA is soliciting the services of a qualified certified public accountant to audit its financial statements for the fiscal year ending June 30, 2026, and the four (4) subsequent fiscal years. These audits are to be performed in accordance with regular public pension plan auditing standards and with the provisions contained in this request for proposals.

#### **B. Qualifications of the Auditor**

- Expertise in generally accepted auditing standards (GAAS)
- Knowledge of governmental and public pension accounting, including GASB
- Understanding of pension accounting and actuarial concepts
- Experience auditing public retirement systems
- Deep experience with federal, state, and local rules and standards governing accounting, especially for public pension funds

#### **C. Scope of Work to Be Performed**

StanCERA seeks an auditor to express an opinion on the fair presentation of its general-purpose financial statements in accordance with GAAP, and on the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer as required by AU-C Section 9805. The auditor is not required to audit the supporting or statistical schedules, but shall provide an "in-relation-to" opinion on the supporting schedules based on audit procedures performed. The audit shall include testing of the following areas:

- Member and employer contributions
- Benefit payments and calculations
- Investment balances, income, and expenses
- Administrative expenses
- Actuarial reserves and plan funding
- Pending litigation and potential liabilities

The auditor shall perform required procedures on required supplementary information in accordance with applicable GASB and auditing standards.

In addition to providing services for audit of financials, scope of work includes answering StanCERA staff questions and providing advice and expertise related to accounting and audit related issues.

D. Auditing Standards to Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.

E. Reports To Be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

- A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- A report on the fair presentation of the Schedule of Employer Allocation and the Schedule of Pension Amounts by Employer in conformity with generally accepted accounting principles.
- The auditor shall correspond with the Audit Committee and management about reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. In addition, the following conditions shall be considered reportable:
  - Reportable conditions that are also material weaknesses shall be identified as such in the report.
  - Non-reportable conditions discovered by the auditors shall be reported to the Audit Committee and management, which shall be referred to in the report[s] on internal controls.
  - Irregularities and illegal acts. Auditors shall be required to make an immediate report of all irregularities and illegal acts or indications of illegal acts, of which they become aware to the following parties: The Audit Committee and the Administrator of the Retirement System.

F. Enter into Audit Services Agreement

Enter into a written agreement with StanCERA to provide financial audit services under similar terms and conditions as provided under the "Agreement For Financial Audit Services" attached hereto as Exhibit A.

G. Entrance and Exit Conference

*Entrance Conference:* Prior to the start of fieldwork, the auditor shall participate in an entrance conference with the StanCERA Audit Committee and staff to confirm audit objectives, scope, roles and responsibilities, key contacts, information requirements, anticipated risks, and the audit timeline.

*Exit Conference:* Upon completion of fieldwork, the auditor shall participate in one or more exit conferences with the StanCERA Audit Committee and staff to review the draft financial statements, management letters, audit findings, management responses, and any recommendations prior to presentation to the Board of Retirement.

*Reporting to the Audit Committee:* The auditor shall keep the Audit Committee informed of significant audit matters, including responsibilities under auditing standards, key accounting policies, management judgments and estimates, audit adjustments, disagreements with management, consultations with other accountants, and any difficulties encountered during the audit.

### **ENGAGEMENT PROCESS**

The following timetable outlines the anticipated conduct of the proposal/contract process and the 2025-2026 audit schedule:

#### **Anticipated Proposal/Contract Timeline**

|   |   |
|---|---|
| Request for Proposal (RFP) issued:        | February 26, 2026                                     |
| Deadline for Questions and clarifications | March 20, 2026  |
| Due date for submission of Proposals      | March 27, 2026  |
| Evaluation of Proposals                   | March 30 <sup>th</sup> – April 3 <sup>rd</sup> , 2026 |
| Finalist Interviews (if needed)           | To be determined                                      |
| Audit Committee Review                    | April 2026  |
| Retirement Board Decision                 | April or May 2026                                     |

#### **2026 Audit Schedule**

|   |                    |
|---|--------------------|
| Preliminary meetings/fieldwork/confirmations mailed | July 2026          |
| Fieldwork begins/Entrance Conference                | August 24, 2026    |
| Draft financial section to the auditor              | September 21, 2026 |
| Fieldwork ends/Exit Conference                      | September 30, 2026 |
| Auditor manager comments to StanCERA                | October 2, 2026    |
| StanCERA submits the final ACFR to the auditor      | October 19, 2026   |
| Audit opinion due to StanCERA                       | November 3, 2026   |
| IGC Review  | November 2026      |
| Presentation to Retirement Board                    | December 2026      |

## GENERAL CONDITIONS AND INSTRUCTIONS TO PROPOSER

### A. Proposal Content

All submissions must be in electronic PDF format. StanCERA may not consider proposals that are not submitted in the format specified.

**Proposals shall clearly identify the project name, and RFP response date March 27, 2026, no later than 5:00 p.m., to:**

Alaine Taa, Administrative Services Officer  
Stanislaus County Employees' Retirement Association  
832 12th Street, Suite 600  
Modesto, CA 95354  
(209) 525-6393  
[taaa@stancera.org](mailto:taaa@stancera.org)

### B. Awarding Contract

A contract may be awarded by StanCERA to the most responsible and responsive proposers, subject to the right of StanCERA to reject all proposals, as it may deem proper in its absolute discretion. The time for awarding the contracts may be extended at the sole discretion of StanCERA, if required to evaluate proposals or for such other purposes as StanCERA may determine, **unless the proposer objects to such extension with their proposal.**

### C. Document Submission for RFP Response

- Return the entire RFP package.
- Complete and sign a W9 form (Request for Taxpayer Identification Number and Certification).
- Any exceptions to the terms and conditions of this RFP, sample Agreement, and insurance requirements (see "insurance checklist) must be submitted with the proposal response.

StanCERA does not discriminate based on race, religion, sex, sexual orientation, national origin, marital status, age, physical handicap, or ownership by women or minorities.

## ADDITIONAL TERMS AND CONDITIONS

### A. Cost of Preparation of Proposal

StanCERA shall not pay costs incurred in the proposal preparation, printing, or demonstration process. All such costs shall be borne by the proposer.

### B. Documentation produced by the proposer that are submitted as part of the proposal shall become the property of StanCERA. It will be kept confidential until a recommendation for award of a contract has been announced

### C. Public Records Act

Proposals submitted to StanCERA become public after the selection process ends, except for portions the proposer clearly marks as trade secrets and that StanCERA reasonably determines are exempt from disclosure under the California Public Records Act. By labeling material as "Confidential" or "Proprietary", the proposer is affirming they genuinely believe the information is legally exempt from disclosure. They also agree to reimburse, defend, and hold StanCERA harmless from any claims or costs that arise if StanCERA withholds those marked sections but a court or law later requires them to be disclosed.

D. Right of StanCERA to Reject Proposals

StanCERA reserves the right to reject any and all proposals or any part of the proposals, to waive minor defects or technicalities, or to solicit new proposals on the same project or on a modified project, which may include portions of the originally proposed project, as StanCERA may deem necessary.

E. Insurance Provisions

The proposer shall, at its own expense, obtain and maintain insurance for the duration of the contract to cover claims arising from its services. All insurance shall name StanCERA as an additional insured, be primary, and be issued by insurers licensed to do business in the applicable state with a Best's rating of no less than A- and Financial Size Category of at least VII.

Certificates of insurance evidencing coverage shall be provided to StanCERA prior to commencement of work and upon renewal. Coverage shall not be cancelled or materially changed without 30 days' prior written notice to StanCERA.

An acceptable Certificate of Liability Insurance with a minimum of the following limits:

Minimum Required Coverage:

- General Liability  
\$1,000,000 per occurrence  
\$2,000,000 aggregate
- Automobile Liability  
\$1,000,000 combined single limit
- Workers' Compensation  
Statutory limits, including employers liability of \$100,000/\$100,000/\$500,000

The Certificate Holder shall be:

Stanislaus County Employees' Retirement Association  
832 12<sup>th</sup> Street, Suite 600  
Modesto, CA 95354  
Fax 209-558-4976

Insurance may be provided through primary, umbrella, or blanket policies, written on an **occurrence basis**, with deductibles not exceeding **\$1,000**. Self-insurance or alternative risk financing is not permitted.

The proposer acknowledges that StanCERA does not indemnify the proposer and that adequate insurance is required to protect StanCERA, its employees, and the public.

F. Examination of Proposal Documents - Proposal Inquiries

The proposers shall carefully examine the Proposal Elements and satisfy themselves as to their sufficiency and shall not at any time after submission of the proposal, dispute or complain of such Proposal Elements and the directions explaining or interpreting them.

Should a proposer find discrepancies or omissions from the Proposal Elements, or should the undersigned be in doubt as to their meaning, the undersigned shall at once notify StanCERA. Any interpretations by StanCERA communicated to a bidder will be published at [stancera.org](http://stancera.org). Oral explanations or instructions given before the contract is awarded will not be binding.

Questions/Inquiries must be submitted via e-mail to: [taaa@stancera.org](mailto:taaa@stancera.org).

G. Submission of Proposals

The submission of a proposal(s) is a two (2) phase process. Proposal(s) are to consist of two (2) documents, one marked "PROPOSAL" and the other marked "RFP-PRICING" and shall be submitted to StanCERA at the place and time specified in this notice.

H. Qualifications

Provide a concise overview of your firm's qualifications relevant to providing audit services to StanCERA. Responses should be brief and focused on the information necessary to evaluate firm capability, experience, and independence.

a. Organizational and Background

1. Years in business as a public accounting firm and a brief firm overview.
2. Ownership structure, key principals, and the office that will service StanCERA.
3. Key factors that differentiate your firm, including public pension or governmental audit expertise.
4. Please include biographies for all staff members listed in your proposal. Indicate what year each staff member joined your firm and describe their position, current responsibilities, areas of expertise, experience, education, professional designations and memberships, and relevant publications and presentations.
5. Description of auditor independence and any business affiliations.
6. Summary of services offered, and approximate percentage of revenue derived from audit services.
7. Identification of key personnel assigned to the engagement.
8. At least three client references, preferably from California public retirement systems or 1937 Act clients or similar.
9. Disclosure of any audit contracts terminated or not renewed in the past five (5) years.
10. Summary of any significant organizational changes within the past three years.

b. Delivery of Services – Audit Plan and Process

Describe your proposed audit plan and approach for StanCERA. Responses should be clear, concise, and focused on your ability to deliver a timely, high-quality audit.

1. Audit Timing and Approach: Anticipated start date for preliminary audit work; overall audit methodology; and key milestones, including delivery of the final report to the Audit Committee.
2. Staffing and Effort: Estimated onsite auditor hours and anticipated StanCERA staff hours required.
3. Audit Experience – Key Areas: Experience auditing member and employer contributions, benefit payments, investments and investment income, ancillary income (e.g., securities lending), administrative expenses, actuarial reserves, and plan funding.
4. Technical and Regulatory Expertise: Demonstrated understanding of the actuarial process and assumptions, the 1937 Act, Entry Age Normal cost method, and benefit calculations.
5. Accounting Standards: Description of how your firm monitors changes in GAAP and communicates relevant updates to StanCERA prior to and during the audit.

c. Standards of Conduct

1. Confirm the existence of a written code of conduct, quality control procedures, and peer review process. Disclose any litigation or regulatory actions related to audit services within the past five years.

d. Conflicts of Interest:

1. Disclose any actual or potential conflicts of interest, relationships with StanCERA stakeholders, and any gifts or hospitality provided to StanCERA staff or Board members within the past 12 months.

e. Insurance and Liability:

1. Describe professional liability, errors and omissions, and fiduciary insurance coverage, including limits and carriers. Identify any contractual limitations on liability.

f. Subcontracting:

1. Identify any subcontractors, scope of work assigned, and oversight mechanisms. If none, state so.

g. Other Information:

1. Are there additional services you would recommend?
2. What are the key audit risk areas facing public pension funds in California and other locations?
3. What are the key trends in the audit field and specifically in the field of auditing public pension funds?
4. What is the biggest challenge in performing an audit for a public pension fund?
5. What are the pros and cons of changing auditors?
6. Describe your use of AI to complete the type of audit work being requested. What tools do you use? What is the long-term plan for using AI going forward?
7. Will your firm use sub-contractors to complete work? Is any of the work completed offshore?
8. What can you recommend to StanCERA to reduce audit costs while still doing a responsible job of mitigating organizational risks? How would you propose to improve the standardization of financials across pensions, including how investment expenses and administrative expenses are accounted for by public pension funds?
9. Provide any additional information that you believe to be relevant to the RFP and your ability to provide the services requested.

I. Non-Collusion Certification

In accordance with California Public Contract Code Section 7106, the proposer certifies under penalty of perjury that this proposal is genuine and not collusive or sham; that the proposer has not directly or indirectly colluded, conspired, agreed, or communicated with any other proposer or person to restrict competition, fix prices, or gain any improper advantage; and that no payments, gifts, or inducements have been made or will be made to influence the award of this contract.

The undersigned certifies that they are an authorized representative of the proposing firm and that all statements contained in the proposal are true and correct.

Executed under penalty of perjury.

Proposer Name: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Printed Name & Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **REQUIRED APPENDICIES**

### **Appendix A. Annual Financial Report**

Please attach your firm's current Annual Financial Report.

### **Appendix B. RFP Pricing**

Submit a separate document detailing all proposed fees and hourly rates. StanCERA reserves the right to correct obvious mathematical errors. In the event of a discrepancy between a unit price and the total, the unit price shall prevail. Please include an all-inclusive total fee to meet the requirements outlined in this proposal. Please include pricing terms for a 5-year period.

## **EVALUATION OF PROPOSALS**

The objective of this evaluation is to perform a thorough and fair evaluation of proposer responses and facilitate the selection of a solution that best satisfies StanCERA requirements. The following describes the evaluation process and associated components.

### **(1) Selection Process**

StanCERA shall name, for the purpose of evaluating the proposals for this RFP, an Evaluation Committee composed of representatives from StanCERA. StanCERA may elect to include qualified representatives from other agencies or entities as part of the Evaluation Committee. Proposal documentation requirements set forth in this RFP are designed to provide guidance to the proposer concerning the type of information that shall be used by the Evaluation Committee. Proposers shall be prepared to respond to requests from the Evaluation Committee for oral presentations, facility surveys, and other items deemed necessary to assist in the detailed evaluation process. Proposers are advised that StanCERA, at their option, may award this proposal on the basis of the initial proposals.

### **(2) Evaluation Steps**

**It is anticipated that the following steps will be performed by the Evaluation Committee in evaluating proposals; however, strict observance of the Evaluation Steps is not required. A description of each evaluation step is provided.**

- Step 1 Review and Evaluation of the proposal
- Step 2 Proposer Interviews (optional)
- Step 3 Ranking of Proposals and Review with Board or Board Committee Members
- Step 4 Recommendation of Award
- Step 5 Review and Decision by Full Retirement Board

The Evaluation Committee shall be responsible for performing the evaluations of each proposal, including an evaluation of the proposed cost. Each member of the Committee shall rate the proposers separately. The scores of each of the Committee members shall then be aggregated to provide a total score for each of the proposers.

The proposals shall be evaluated on the following categories, and the maximum weight possible for each category is listed below:

| <b>EVALUATION CATEGORIES</b>   | <b>MAXIMUM WEIGHT<br/>POSSIBLE</b> |
|--|------------------------------------|
| General Qualifications<br>California and Public<br>Retirement Experience | 20                                 |
| Resources Assigned and<br>Understanding of the Project                   | 25                                 |
| Cost   | 35                                 |
| Total Possible Weight  | 100                                |

Stanislaus County Employees' Retirement Association  
832 12<sup>th</sup> Street Suite 600, Modesto, CA 95354  
PO Box 3150, Modesto, CA 95353-3150  
Phone: (209) 525-6393  
Fax: (209) 558-4976

## **AGREEMENT FOR FINANCIAL AUDIT SERVICES**

This Agreement for Financial Audit Services (the "Agreement") is made and entered into by and between the Stanislaus County Employees' Retirement Association ("StanCERA") and \_\_\_\_\_ ("PUBLIC ACCOUNTING FIRM") on \_\_\_\_\_, 2026 ("Agreement Date").

### **Recitals**

WHEREAS, StanCERA was created by and operates pursuant to the County Employees Retirement Law of 1937 (the '37 Act), and the California Public Employees' Pension Reform Act. StanCERA is administered by the Board of Retirement ("Board"); and

WHEREAS, StanCERA and the Board desire to engage a PUBLIC ACCOUNTING FIRM to perform Financial Auditing Services; and

WHEREAS, PUBLIC ACCOUNTING FIRM desires to perform the services, and has represented to StanCERA that it is qualified to perform the aforesaid Financial Auditing Services; and

WHEREAS, StanCERA has determined PUBLIC ACCOUNTING FIRM is qualified to perform the aforesaid services and desires to retain PUBLIC ACCOUNTING FIRM for those purposes.

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter set forth, the parties hereby agree as follows:

### **Terms and Conditions**

#### **1. Definitions.**

For purposes of this Agreement, capitalized terms have the meanings set forth in this Section 1.

"Agents" means any employees, agents, or representatives of PUBLIC ACCOUNTING FIRM acting in connection with this Agreement.

"Agreement" means this Agreement for Financial Auditing Services. Services entered into by and between StanCERA and PUBLIC ACCOUNTING FIRM, including the Exhibits and Attachments attached hereto.

"Agreement Date" means the date shown in the preamble of this Agreement.

"PUBLIC ACCOUNTING FIRM" means \_\_\_\_\_ 'Name of Audit Firm' \_\_\_\_\_.

"Covered Persons" means StanCERA, its trustees, officers, and employees.

"Effective Termination Date" means the date on which all or a specified portion of the work under this Agreement will formally cease, as specified in any Notice of Termination delivered by

StanCERA to PUBLIC ACCOUNTING FIRM.

"Force Majeure" means any cause, circumstance, or event beyond the control and without the fault or negligence of PUBLIC ACCOUNTING FIRM that causes PUBLIC ACCOUNTING FIRM to fail to perform its obligations hereunder. Such causes, circumstances or events may include, but are not restricted to, acts of God or of the public enemy, acts of any foreign, international, federal or state government (including all subdivisions thereof) in such government's sovereign capacity, fires, floods and earthquakes; but in every case the failure to perform must be beyond the control and without the fault or negligence of PUBLIC ACCOUNTING FIRM.

"StanCERA" means the Stanislaus County Employees' Retirement Association, an independent public pension fund established under the authority of the County Employees' Retirement Law of 1937 (California Government Code Sections 31450 et seq.), the California Public Employees' Pension Reform Act.

"StanCERA's Project Director" means Thomas Stadelmaier, StanCERA's Executive Director, or his designee.

"Legal Requirements" means all federal, state, county, and local laws, rules, regulations, and ordinances, presently existing or enacted or promulgated during the term of this Agreement, which may apply to PUBLIC ACCOUNTING FIRM in relation to its performance under this Agreement.

"Member Records" means any records relating to StanCERA's members or beneficiaries to which PUBLIC ACCOUNTING FIRM or its Agents may be exposed when performing under this Agreement.

## 2. Description of Services

- A. **Work to be performed.** PUBLIC ACCOUNTING FIRM agrees to perform the services described in this Agreement and in Exhibit A (Scope of Work), attached hereto and incorporated herein by reference.
- B. **Standard of Care.** PUBLIC ACCOUNTING FIRM agrees that it shall perform its obligations under this Agreement with the competence, care, skill, prudence, and diligence prevailing in the accounting industry. PUBLIC ACCOUNTING FIRM shall be responsible for and cause any and all of its employees, agents, and representatives providing services in connection with this Agreement to exercise the same Standard of Care.
- C. **Quality of Services.** PUBLIC ACCOUNTING FIRM's services will meet the requirements and standards set forth in this Agreement. PUBLIC ACCOUNTING FIRM will promptly correct any errors or omissions in the provision of such services, at no cost or expense to StanCERA and in a timely manner after the request by StanCERA's Project Director.
- D. **PUBLIC ACCOUNTING FIRM's Work Schedule.** PUBLIC ACCOUNTING FIRM and StanCERA's Project Director will agree in advance on PUBLIC ACCOUNTING FIRM's work schedule. Services and work provided by the PUBLIC ACCOUNTING FIRM at StanCERA's request under this Agreement and Exhibit A will be performed in a timely manner consistent with the requirements and standards established by applicable federal, state and StanCERA laws, ordinances, regulations, and resolutions, and in accordance with a schedule of work set forth in Exhibit A. If there is no schedule, the hours and times for completion of said services and work are to be set by the PUBLIC ACCOUNTING FIRM; provided, however, that such schedule is subject to review by and concurrence of StanCERA.
- E. **Cooperation with Other Professionals.** PUBLIC ACCOUNTING FIRM agrees to cooperate

with such professionals as StanCERA may engage to assist StanCERA in the performance of its duties, including, without limitation, the accounting firm engaged by StanCERA to perform **its Financial Audit services**.

**3. StanCERA's Proprietary Rights.**

All documents, drawings and written work product prepared or produced by the PUBLIC ACCOUNTING FIRM under this Agreement and Exhibit A, including without limitation electronic data files, are the property of the PUBLIC ACCOUNTING FIRM; provided, however, StanCERA shall have the right to reproduce, publish and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the PUBLIC ACCOUNTING FIRM may copyright the same, except that, as to any work which is copyrighted by the PUBLIC ACCOUNTING FIRM, StanCERA reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so.

**4. Project Responsibility.**

**A. StanCERA's Project Director.** StanCERA's Project Director shall, on a regular basis, interface with the PUBLIC ACCOUNTING FIRM's Project Manager.

(1) StanCERA's Project Director is responsible for:

- (a) Providing overall management and coordination of this Agreement acting as liaison for StanCERA; and
- (b) Providing coordination of the provisions and objectives of this Agreement; and
- (c) Approving invoices submitted prior to payment for work performed and deliverables delivered in accordance with this Agreement, which approval will not be unreasonably withheld; and
- (d) Providing direction to the PUBLIC ACCOUNTING FIRM in all matters relating to policy, information requirements, and procedural requirements, and
- (e) Providing or making sure data, information, and materials requested by the PUBLIC ACCOUNTING FIRM are provided to the PUBLIC ACCOUNTING FIRM on a timely basis.

(2) StanCERA's Project Director or any person delegated responsibility for the administration of this Agreement by StanCERA's Project Director will not have any personal liability to PUBLIC ACCOUNTING FIRM for any action taken or not taken by such individual while acting or purporting to act as StanCERA's Project Director or delegate of such Project Director.

**B. PUBLIC ACCOUNTING FIRM's Project Manager.** PUBLIC ACCOUNTING FIRM's Project Manager is [REDACTED]. PUBLIC ACCOUNTING FIRM shall inform StanCERA in writing of the name of any alternate Project Manager or designee within a reasonable time of choosing the same, and the appointment of such individual(s) shall be subject to StanCERA's approval, which may be withheld in its sole discretion. PUBLIC ACCOUNTING FIRM's Project Manager:

- (1) Is responsible for the PUBLIC ACCOUNTING FIRM's day-to-day activities related to the work to be performed under this Agreement and Exhibit A; and
- (2) Has full authority to act for PUBLIC ACCOUNTING FIRM on all matters relating to the daily operation of this Agreement; and

- (3) Will be reasonably available during StanCERA's normal working hours for telephone contact and to meet with StanCERA personnel designated to discuss PUBLIC ACCOUNTING FIRM's performance.

**C. Additional Accounting Firm Personnel.**

- (1) StanCERA has the absolute right, during the period of PUBLIC ACCOUNTING FIRM's performance under this Agreement, to approve or disapprove any of PUBLIC ACCOUNTING FIRM's assigned personnel designated as Project Manager, its principal agent or alternate project manager or designee, engagement partners, managers, other senior supervisory staff, or specialists, or any proposed changes in these categories of PUBLIC ACCOUNTING FIRM's personnel. PUBLIC ACCOUNTING FIRM shall provide StanCERA Project Director, or his designee, with a résumé of the proposed replacement(s) and an opportunity to interview the person(s) prior to StanCERA approving or disapproving the proposed change. Approval or disapproval will be in writing, which StanCERA may withhold its approval in its sole discretion.
- (2) Upon request by StanCERA's Project Director, PUBLIC ACCOUNTING FIRM will replace any of PUBLIC ACCOUNTING FIRM's personnel, Agents, or subcontractors assigned to perform services under this Agreement, who are, in StanCERA's opinion, unable to effectively carry out the responsibilities of this Agreement.

**5. Compensation and Payment.**

- A. Compensation.** StanCERA shall compensate PUBLIC ACCOUNTING FIRM for services rendered under this Agreement as set forth in Exhibit B, attached hereto and incorporated herein by reference.
- B. Expenses.** PUBLIC ACCOUNTING FIRM is not entitled to reimbursement of out-of-pocket travel expenses for any expenses related to meetings at StanCERA's regular place of business. PUBLIC ACCOUNTING FIRM's expenses are included in the compensation described in Section 5.A and therefore PUBLIC ACCOUNTING FIRM is not entitled to any separate reimbursement for any expenses incurred by it in discharging its duties under this Agreement, unless otherwise agreed by StanCERA.
- C. Additional Compensation.** Except as expressly provided in Exhibit A and Exhibit B of this Agreement, PUBLIC ACCOUNTING FIRM shall not be entitled to nor receive from StanCERA any additional consideration, compensation, salary, wages, or other type of remuneration for services rendered under this Agreement. Specifically, PUBLIC ACCOUNTING FIRM shall not be entitled by virtue of this Agreement to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays, or other paid leaves of absence of any type or kind whatsoever.
- D. Withholding of Taxes.** StanCERA will not withhold any Federal or State income taxes or Social Security tax from any payments made by StanCERA to PUBLIC ACCOUNTING FIRM under the terms and conditions of this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of PUBLIC ACCOUNTING FIRM. StanCERA has no responsibility or liability for payment of PUBLIC ACCOUNTING FIRM's taxes or assessments.
- E. Invoices and Payment.** All invoices are to be submitted to [REDACTED], StanCERA, P.O. Box 3150, Modesto, CA 95353-3150 or emailed to retireops@stancera.org
- F. Non-Compensable Services.** PUBLIC ACCOUNTING FIRM agrees that should work be performed outside the **Scope of the Work** described in Exhibit A, without the prior written

consent of StanCERA in accordance with the Section 21, "Amendments" to this Agreement, such work will be deemed to be a gratuitous effort on the part of PUBLIC ACCOUNTING FIRM, and PUBLIC ACCOUNTING FIRM will have no claim against StanCERA for such work, and StanCERA will have no obligation to pay for such work.

**6. Term and Termination.**

- A. General Term.** Subject to the termination provisions in this Section, the term of this Agreement begins on the Agreement Date and, based on successful completion of the immediate past year's services, shall include an audit of StanCERA's financial statement for the fiscal year ending June 30, 2026 and continue for four (4) years through June 30, 2029. Upon mutual agreement of parties, the Agreement may be renewed annually for up to three (3) additional years. Any extensions shall be in written form as amendments to this Agreement.
- B. Termination for Convenience.** StanCERA may terminate this agreement upon 30 days prior written notice to the PUBLIC ACCOUNTING FIRM. Termination of this Agreement shall not affect StanCERA's obligation to pay for all fees earned and reasonable costs necessarily incurred by the PUBLIC ACCOUNTING FIRM as provided in Section 5.A herein, subject to any applicable setoffs. StanCERA's termination of this Agreement under this Section 6.B is not a waiver of StanCERA's right to make a claim against PUBLIC ACCOUNTING FIRM for damages resulting from any default by PUBLIC ACCOUNTING FIRM, which occurred prior to the Effective Termination Date.
- C. Termination for Default.** Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.
- D. Automatic Termination.** This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, (b) sale of PUBLIC ACCOUNTING FIRM's business, (c) cancellation of insurance required under the terms of this Agreement, (d) if, for any reason, PUBLIC ACCOUNTING FIRM ceases to be licensed or otherwise authorized to do business in the State of California, and the PUBLIC ACCOUNTING FIRM fails to remedy such defect or defects within thirty (30) days of receipt of written notice of such defect or defects, (e) if PUBLIC ACCOUNTING FIRM materially breaches any of the warranties, representations, agreements, and covenants made in Section 11 and in Section 19 (Conflicts and Disqualification), (f) if PUBLIC ACCOUNTING FIRM is subject to criminal indictment or conviction, or is found civilly or criminally liable by a trial court, jury or administrative body in connection with any matter involving breach of trust, breach of fiduciary duty, fraud, or theft; and/or (g) if PUBLIC ACCOUNTING FIRM attempts or purports to assign this Agreement, or any portion hereof, or any of its rights or obligations hereunder, without obtaining StanCERA's prior written consent.
- E. Force Majeure.** PUBLIC ACCOUNTING FIRM may not be terminated for default, if PUBLIC ACCOUNTING FIRM's failure to perform under this Agreement arises solely from causes of Force Majeure.
- F. Rights, Remedies and Responsibilities upon Termination.** If this Agreement is terminated, all of the terms and conditions of this Agreement shall continue to apply through the Effective Termination Date. The following provisions also apply to any termination of this Agreement.
- (1) **Recovery of Reasonable Damages Upon Default.** If StanCERA terminates this Agreement in whole or in part for default pursuant to Section 6.C or Section 6.D above, StanCERA is entitled to recover from PUBLIC ACCOUNTING FIRM all reasonable damages resulting from such default. By way of example and not limitation, StanCERA may procure, upon such terms and in such manner as StanCERA may deem appropriate, services similar to those terminated, and PUBLIC ACCOUNTING FIRM will be liable to StanCERA for any excess cost of such similar services.

- (2) Payment when Terminated for Convenience. If StanCERA terminates this Agreement for convenience, StanCERA will pay PUBLIC ACCOUNTING FIRM for work already performed but for which PUBLIC ACCOUNTING FIRM has not been compensated through the Effective Termination Date.
- (3) Payment Withheld for Default. StanCERA shall not authorize and shall withhold payment for services provided if StanCERA terminates this Agreement for default. In the event the damages caused by such default are less than the withheld payment for services, the amount withheld in excess of the damages shall be paid to PUBLIC ACCOUNTING FIRM.
- (4) Good Faith Transfer. Upon any termination of this Agreement by StanCERA, and to the extent directed by StanCERA, PUBLIC ACCOUNTING FIRM will cooperate with StanCERA in good faith to effect a smooth and orderly transfer of such services and all applicable records to a successor designated by StanCERA. PUBLIC ACCOUNTING FIRM will respond promptly to reasonable inquiries of such successor PUBLIC ACCOUNTING FIRM with respect to the Work Papers and matters of continuing accounting significance to StanCERA. Upon termination of this Agreement, PUBLIC ACCOUNTING FIRM will retain all Work Records according to the record retention provisions set forth in Section 13 below.

**7. Required Licenses, Certificates, and Permits.**

Any licenses, certificates, or permits required by the federal, state, StanCERA, or municipal governments for PUBLIC ACCOUNTING FIRM to provide the services and work described in Exhibit A must be procured by PUBLIC ACCOUNTING FIRM and be valid at the time PUBLIC ACCOUNTING FIRM enters into this Agreement. Further, during the term of this Agreement, PUBLIC ACCOUNTING FIRM must maintain such licenses, certificates and permits in full force and effect. Licenses, certificates, and permits may include, but are not limited to, driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates, and permits will be procured and maintained in force by PUBLIC ACCOUNTING FIRM at no expense to StanCERA.

**8. Office Space, Supplies, Equipment, Etc.**

Unless otherwise provided in Exhibit A, PUBLIC ACCOUNTING FIRM shall provide such office space, supplies, equipment, vehicles, reference materials, and telephone service as is necessary for Contractor to provide the services identified in Exhibit A to this Agreement. StanCERA is not obligated to reimburse or pay PUBLIC ACCOUNTING FIRM for any expense or cost incurred by PUBLIC ACCOUNTING FIRM in procuring or maintaining such items. Responsibility for the costs and expenses incurred by PUBLIC ACCOUNTING FIRM in providing and maintaining such items is the sole responsibility and obligation of PUBLIC ACCOUNTING FIRM.

**9. Insurance**

- A.** PUBLIC ACCOUNTING FIRM shall take out, and maintain during the life of this Agreement, insurance policies with coverage at least as broad as follows:

- (1) General Liability. Comprehensive general liability insurance covering bodily injury, personal injury, property damage, products, and completed operations with limits of no less than One Million Dollars (\$2,000,000) per incident or occurrence.
  - (a) If Commercial General Liability Insurance or any other form with a general aggregate limit is used, either the general aggregate limit shall apply

separately to any act or omission by PUBLIC ACCOUNTING FIRM under this Agreement or the general aggregate limit shall be twice the required occurrence limit.

- (b) If written on a claims form, PUBLIC ACCOUNTING FIRM will continue to name StanCERA as an additional insured or provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement.

(2) Automobile Liability Insurance

If the PUBLIC ACCOUNTING FIRM or the PUBLIC ACCOUNTING FIRM's officers, employees, agents, representatives or subcontractors utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury, property damage and transportation related pollution liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.

(3) Workers' Compensation Insurance

Workers' Compensation insurance as required by the State of California, with Statutory Limits and Employer's Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.

(4) Professional Liability.

Errors and omissions professional liability insurance with a limit of at least \$1,000,000 per occurrence or claim, \$2,000,000 aggregate PUBLIC ACCOUNTING FIRM will notify StanCERA in writing of any change in coverage amount subsequent to the effective Agreement Date. PUBLIC ACCOUNTING FIRM warrants its professional liability insurance is applicable to PUBLIC ACCOUNTING FIRM's actions and obligations under this Agreement.

- B.** Any deductibles, self-insured retentions, or named insureds must be declared in writing and approved by StanCERA. At the option of StanCERA, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or (b) the PUBLIC ACCOUNTING FIRM shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to StanCERA guaranteeing payment of the self-insured retention or deductible and payment of any and all costs, losses, related investigations, claim administration and defense expenses. StanCERA, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, the PUBLIC ACCOUNTING FIRM agrees that it will be responsible for and pay any self-insured retention or deductible and will pay any and all costs, losses, related investigations, claim administration and defense expenses related to or arising out of the PUBLIC ACCOUNTING FIRM's defense and indemnification obligations as set forth in this Agreement.
- C.** The PUBLIC ACCOUNTING FIRM shall provide a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, if any, naming StanCERA and its officers, officials and employees as additional insureds regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of the PUBLIC ACCOUNTING FIRM, including the insured's general supervision of its subcontractors; (b) services, products and completed operations of the PUBLIC ACCOUNTING FIRM; (c) premises owned, occupied or used by the PUBLIC ACCOUNTING FIRM; and (d) automobiles owned, leased, hired or borrowed by the PUBLIC ACCOUNTING FIRM. For Workers' Compensation insurance, the insurance carrier

shall agree to waive all rights of subrogation against StanCERA and its officers, officials, and employees for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the PUBLIC ACCOUNTING FIRM.

- D. The PUBLIC ACCOUNTING FIRM's insurance coverage shall be primary insurance regarding StanCERA and StanCERA's officers, officials, and employees. Any insurance or self-insurance maintained by StanCERA or StanCERA's officers, officials, and employees shall be excess of the PUBLIC ACCOUNTING FIRM's insurance and shall not contribute with PUBLIC ACCOUNTING FIRM's insurance.
- E. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to StanCERA or its officers, officials, employees, or volunteers.
- F. The PUBLIC ACCOUNTING FIRM's insurance shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability.
- G. Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, or canceled by either party except after thirty (30) days' prior written notice has been given to StanCERA. The PUBLIC ACCOUNTING FIRM shall promptly notify, or cause the insurance carrier to promptly notify, StanCERA of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.
- H. Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Key Rating Guide acceptable to StanCERA; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance. A Best's rating of at least A-VII shall be acceptable to StanCERA; lesser ratings must be approved in writing by StanCERA.
- I. PUBLIC ACCOUNTING FIRM shall require that all of its subcontractors are subject to the insurance and indemnity requirements stated herein, or shall include all subcontractors as additional insureds under its insurance policies.
- J. At least ten (10) days prior to the date the PUBLIC ACCOUNTING FIRM begins performance of its obligations under this Agreement, PUBLIC ACCOUNTING FIRM shall furnish StanCERA with certificates of insurance, and with original endorsements, showing coverage required by this Agreement, including, without limitation, those that verify coverage for subcontractors of the PUBLIC ACCOUNTING FIRM. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in StanCERA's sole and absolute discretion, approved by StanCERA. StanCERA reserves the right to require complete copies of all required insurance policies and endorsements at any time.
- K. The limits of insurance described herein shall not limit the liability of the PUBLIC ACCOUNTING FIRM and PUBLIC ACCOUNTING FIRM's officers, employees, agents, representatives, or subcontractors.

**10. Defense and Indemnification.**

To the fullest extent permitted by law, PUBLIC ACCOUNTING FIRM shall indemnify, hold harmless and defend StanCERA, its Board and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees (collectively "claims"), arising out of, resulting from, or in connection with the performance of this Agreement by the PUBLIC ACCOUNTING FIRM or

PUBLIC ACCOUNTING FIRM's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Notwithstanding the foregoing, PUBLIC ACCOUNTING FIRM's obligation to indemnify StanCERA, its Board, and its agents, officers, and employees for any judgment, decree, or arbitration award shall extend only to the percentage of negligence or responsibility of the PUBLIC ACCOUNTING FIRM in contributing to such claim, damage, loss, and expense.

PUBLIC ACCOUNTING FIRM's obligation to defend, indemnify, and hold StanCERA and its agents, officers, and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for PUBLIC ACCOUNTING FIRM to procure and maintain a policy of insurance.

**11. PUBLIC ACCOUNTING FIRM's Representations, Warranties and Covenants.**

PUBLIC ACCOUNTING FIRM makes the following representations, warranties, covenants, and agreements, acknowledging they constitute a material inducement to StanCERA to enter into this Agreement.

- A. Authorization.** This Agreement has been duly authorized, executed and delivered by PUBLIC ACCOUNTING FIRM and constitutes the legal, valid and binding agreements and obligations of PUBLIC ACCOUNTING FIRM, enforceable against PUBLIC ACCOUNTING FIRM in accordance with its terms, except insofar as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar limitations on creditors' rights generally and general principles of equity. PUBLIC ACCOUNTING FIRM is not subject to or obligated under any law, rule, or regulation of any governmental authority, or any order, injunction, or decree, or any contract or agreement that would be breached or violated by PUBLIC ACCOUNTING FIRM's execution, delivery, or performance of this Agreement.
- B. Gratuities.** No gratuities in the form of gifts, entertainment, or otherwise were offered or given by PUBLIC ACCOUNTING FIRM or its Agents to any officer, fiduciary, or employee of StanCERA or the County of Stanislaus, California, with a view toward securing this Agreement or securing any favorable determination made concerning the award of this Agreement. PUBLIC ACCOUNTING FIRM covenants that no such gratuities will be offered or given to any such person with a view toward securing any favorable determination concerning the performance, continuation, and/or amendment of this Agreement. If it is found that such gratuities have been offered or given by PUBLIC ACCOUNTING FIRM or its Agents, StanCERA may terminate this Agreement upon one (1) calendar day's written notice; however, the facts upon which StanCERA bases such findings will be at issue and may be reviewed in any competent court. In the event of such termination, StanCERA may pursue the same remedies against PUBLIC ACCOUNTING FIRM as it could pursue in the event of default by PUBLIC ACCOUNTING FIRM.
- C. Conflicts of Interest With Persons Related to StanCERA.** No StanCERA employee or fiduciary, whose position with StanCERA enables such person to influence the award of this Agreement or any competing agreement, and no spouse or economic dependent of such person, is or will be employed in any capacity by PUBLIC ACCOUNTING FIRM, or does or will have any direct or indirect financial interest in this Agreement.
- D. Recruiting.** During the term of this Agreement and for one (1) calendar year thereafter, PUBLIC ACCOUNTING FIRM, and any employee of PUBLIC ACCOUNTING FIRM providing services to StanCERA, will not intentionally induce or persuade any employee of StanCERA to join PUBLIC ACCOUNTING FIRM.
- E. Changes.** PUBLIC ACCOUNTING FIRM will notify StanCERA in writing within ten (10) business days of any of the following changes: (i) PUBLIC ACCOUNTING FIRM becomes aware that any of its representations, warranties, covenants, or agreements set forth herein has been breached

or ceases to be true at any time during the term of this Agreement; (ii) there is a change in PUBLIC ACCOUNTING FIRM's personnel assigned to perform services under this Agreement, (iii) there is any change in control of PUBLIC ACCOUNTING FIRM, (iv) PUBLIC ACCOUNTING FIRM becomes aware of any other material change in its business organization, including without limitation the filing for bankruptcy relief, or (v) PUBLIC ACCOUNTING FIRM becomes aware of an actual conflict arising out of work it performs on behalf of StanCERA.

- F. PUBLIC ACCOUNTING FIRM and its Agents.** PUBLIC ACCOUNTING FIRM's Agents who will be responsible for performing under this Agreement are individuals experienced in the performance of the various functions contemplated by this Agreement and have not been convicted of any crime or found liable in a civil or administrative proceeding or pleaded no contest, or agreed to any consent decree with respect to any matter involving infringement of intellectual property rights, breach of fiduciary duty, or fraud.

**12. Independent Contractor Status.**

- A.** All acts of PUBLIC ACCOUNTING FIRM and its officers, employees, agents, representatives, subcontractors, and all others acting on behalf of PUBLIC ACCOUNTING FIRM relating to the performance of this Agreement shall be performed as independent contractors and not as agents, officers, or employees of StanCERA. PUBLIC ACCOUNTING FIRM, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of StanCERA. Except as expressly provided in Exhibit A, PUBLIC ACCOUNTING FIRM has no authority or responsibility to exercise any rights or power vested in StanCERA. No agent, officer or employee of StanCERA is to be considered an employee of PUBLIC ACCOUNTING FIRM. It is understood by both PUBLIC ACCOUNTING FIRM and StanCERA that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship, partnership, servant, joint venture, or association.
- B.** At all times during the term of this Agreement, the PUBLIC ACCOUNTING FIRM and its officers, employees, agents, representatives, or subcontractors are, and shall represent and conduct themselves as, independent contractors and not employees of StanCERA.
- C.** PUBLIC ACCOUNTING FIRM shall determine the method, details, and means of performing the work and services to be provided by PUBLIC ACCOUNTING FIRM under this Agreement. PUBLIC ACCOUNTING FIRM shall be responsible to StanCERA only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to StanCERA's control with respect to the physical action or activities of PUBLIC ACCOUNTING FIRM in fulfillment of this Agreement. PUBLIC ACCOUNTING FIRM has control over the manner and means of performing the services under this Agreement. PUBLIC ACCOUNTING FIRM is permitted to provide services to others during the same period service is provided to StanCERA under this Agreement. If necessary, PUBLIC ACCOUNTING FIRM has the responsibility for employing other persons or firms to assist PUBLIC ACCOUNTING FIRM in fulfilling the terms and obligations under this Agreement.
- D.** If in the performance of this Agreement any third persons are employed by PUBLIC ACCOUNTING FIRM, such persons shall be entirely and exclusively under the direction, supervision, and control of PUBLIC ACCOUNTING FIRM. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging, or any other term of employment or requirements of law, shall be determined by the PUBLIC ACCOUNTING FIRM.
- E.** It is understood and agreed that as an independent and not an employee of StanCERA, PUBLIC ACCOUNTING FIRM and the PUBLIC ACCOUNTING FIRM's officers, employees, agents, representatives or subcontractors do not have any entitlement as a StanCERA employee, and do not have the right to act on behalf of StanCERA in any capacity whatsoever as an agent, or to bind StanCERA to any obligation whatsoever.

- F. It is further understood and agreed that PUBLIC ACCOUNTING FIRM must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of PUBLIC ACCOUNTING FIRM's assigned personnel under the terms and conditions of this Agreement.
- G. As an independent, PUBLIC ACCOUNTING FIRM, hereby indemnifies and holds StanCERA harmless from any and all claims that may be made against StanCERA based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

**13. Records and Audit**

- A. **Records Retention.** PUBLIC ACCOUNTING FIRM shall prepare and maintain all writings, documents, and records prepared or compiled in connection with the performance of this Agreement for a minimum of six years from the termination or completion of this Agreement. This includes, but is not limited to, any handwriting, typewriting, printing, photo static, photographing, and every other means of recording upon any tangible thing, any form of communication or representation, including letters, words, pictures, sounds, or symbols, or any combination thereof. This includes but is not limited to any pertinent activity, dates, and time spent providing services hereunder, invoices billed to StanCERA, proprietary data, and any other records created by PUBLIC ACCOUNTING FIRM or its agents in connection with this Agreement ("StanCERA Records").
- B. **Records Review and Audit.** Any authorized representative of StanCERA shall have access to and the right to audit, evaluate, examine, excerpt and copy or transcribe any StanCERA Records (other than that portion of such Records that evidence the confidential/proprietary information and/or trade secrets of PUBLIC ACCOUNTING FIRM or any third party) during the period such records are to be maintained by PUBLIC ACCOUNTING FIRM. Further, StanCERA has the right at all reasonable times to audit, inspect, or otherwise evaluate the work performed or being performed under this Agreement. StanCERA agrees that any such review and audit will be conducted in a manner to minimize interference with PUBLIC ACCOUNTING FIRM's normal business activities. Upon reasonable advance notice to PUBLIC ACCOUNTING FIRM, PUBLIC ACCOUNTING FIRM will make the persons responsible for creating and maintaining StanCERA Records available to StanCERA during such review and audit for the purpose of responding to StanCERA's reasonable inquiries. StanCERA will pay all costs associated with such audit, other than any costs incurred by PUBLIC ACCOUNTING FIRM to make personnel available as required by the preceding sentence.

**14. Confidentiality; Proprietary Rights**

- A. **StanCERA's Proprietary Rights.** All reports under this Agreement become the sole property of StanCERA. Both parties hereto acknowledge that PUBLIC ACCOUNTING FIRM retains the right to use its experience, expertise, and knowledge on similar projects for other clients, so long as PUBLIC ACCOUNTING FIRM protects StanCERA's interests in all of its confidential records and property.
- B. **Member Records.** PUBLIC ACCOUNTING FIRM acknowledges that when performing under this Agreement, PUBLIC ACCOUNTING FIRM may be exposed to Member Records and that such Member Records are considered confidential and protected from public disclosure by law. PUBLIC ACCOUNTING FIRM will maintain the confidentiality of all Member Records according to all applicable federal, state, county and local laws, regulations, ordinances, and directives relating to confidentiality.
- C. **StanCERA's Policies, Procedures, and Strategies.** PUBLIC ACCOUNTING FIRM will protect the security of and keep confidential all materials, data, and other information received by PUBLIC ACCOUNTING FIRM regarding StanCERA's assets and its policies, procedures, and strategies for the evaluation, acquisition, development, management, and disposition of the

same.

**D. PUBLIC ACCOUNTING FIRM's Proprietary Materials.** Absent PUBLIC ACCOUNTING FIRM's written consent authorizing disclosure, StanCERA will use reasonable means to protect and maintain the confidentiality of any of PUBLIC ACCOUNTING FIRM's materials, which PUBLIC ACCOUNTING FIRM considers to be proprietary, so long as:

- (1) PUBLIC ACCOUNTING FIRM clearly and prominently marks all such material "confidential," and
- (2) Public disclosure of such material is not requested pursuant to the California Public Records Act (Cal. Gov't. Code Section 6250 et seq., the "Act"), or by the order of any tribunal having jurisdiction.
  - (a) If an action is commenced against StanCERA under Act or otherwise that challenges StanCERA's refusal to disclose PUBLIC ACCOUNTING FIRM's proprietary material, PUBLIC ACCOUNTING FIRM will defend StanCERA in the action at PUBLIC ACCOUNTING FIRM's expense, and will pay any judgment for damages or attorneys' fees that may be entered as a result of StanCERA's refusal to disclose PUBLIC ACCOUNTING FIRM's confidential material. StanCERA will provide notice to PUBLIC ACCOUNTING FIRM so PUBLIC ACCOUNTING FIRM can get a protective order or opinion of counsel to turn over confidential material.
  - (b) StanCERA's obligations under subsection (1) do not apply to:
    - (1) Any confidential information that StanCERA can demonstrate has become public information through no breach of this Agreement by StanCERA; and
    - (2) The StanCERA Records.

**15. Nondiscrimination**

During the performance of this Agreement, PUBLIC ACCOUNTING FIRM and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental handicap, medical condition (including genetic characteristics), marital status, age, political affiliation or sex. PUBLIC ACCOUNTING FIRM and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation StanCERA's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

**16. Assignment**

This is an agreement for the services of PUBLIC ACCOUNTING FIRM. StanCERA has relied upon the skills, knowledge, experience, and training of the PUBLIC ACCOUNTING FIRM and its associates and employees as an inducement to enter into this Agreement. PUBLIC ACCOUNTING FIRM shall not assign or subcontract this Agreement without the express written consent of StanCERA. Further, PUBLIC ACCOUNTING FIRM shall not assign any monies due or to become due under this Agreement without the prior written consent of StanCERA.

**17. Waiver of Default**

Waiver of any default by either party to this Agreement shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

**18. Notice**

Any notice, communication, amendment, addition, or deletion to this Agreement, including a change of address of either party during the term of this Agreement, which PUBLIC ACCOUNTING FIRM or StanCERA shall be required or may desire to make, shall be in writing and may be personally served or sent by prepaid first-class mail to the respective parties as follows:

To StanCERA: StanCERA  
Attention:   
832 12<sup>th</sup> Street, Suite 600  
Modesto, CA 95354

To PUBLIC  
ACCOUNTING FIRM: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**19. Conflicts and Disqualification**

PUBLIC ACCOUNTING FIRM hereby affirms that there are no relevant facts or circumstances now giving rise or which could, in the future, give rise to a Conflict of Interest. A Conflict of Interest means that because of other activities or relationships with other persons, PUBLIC ACCOUNTING FIRM or its subcontractor is unable or potentially unable to render impartial assistance or advice to StanCERA, or PUBLIC ACCOUNTING FIRM's objectivity in performing the agreement work is or might be otherwise impaired.

If an actual or potential Conflict of Interest arises subsequent to the date of this agreement, PUBLIC ACCOUNTING FIRM shall make a full disclosure in writing to StanCERA of all relevant facts and circumstances. This disclosure shall include a description of actions that PUBLIC ACCOUNTING FIRM has taken and proposes to take to avoid, mitigate, or neutralize the action or potential conflict of interest. PUBLIC ACCOUNTING FIRM will continue performance of work under the agreement until notified by StanCERA of any contrary action to be taken.

**20. Severability**

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or StanCERA statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

**21. Amendment**

This Agreement and its exhibits may be modified, amended, changed, added to, or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement

to maintain continuity.

**22. Entire Agreement**

This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

**23. Advice of Attorney**

Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

**24. Construction**

Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

**25. Governing Law and Venue**

This Agreement shall be deemed to be made under, and shall be governed by and construed and enforced in accordance with, the laws of the State of California.

**Mediation and Arbitration**

**A. Mediation.** If a dispute arises over any matter arising out of or relating to this Letter of Intent (whether in contract, tort, or both), the parties agree first to try in good faith to settle the dispute voluntarily with the aid of an impartial mediator.

- (1) Commencing Mediation. A dispute will be submitted to mediation by one party delivering a written notice requesting mediation (the "Notice of Mediation") to the other party.
- (2) Selection of Mediator. The mediator will be selected by agreement of the parties. If the parties cannot agree on a mediator within 30 days after the Notice of Mediation is sent, the mediator will be selected by JAMS at the request of either party. If JAMS is no longer in business, the mediator will be selected by the American Arbitration Association ("AAA").
- (3) Location of Mediation. The mediation will be held in Stanislaus County, California, at a time and place selected by the mediator.
- (4) Conduct of Mediation. At least five days before the date of the mediation, each party will provide the mediator with a statement of its position and copies of all supporting documentation. Each party shall send to the mediation a person who has the authority to bind the party. Each party has the right to be represented at the mediation by legal counsel of its choice.
- (5) Confidentiality of Mediation. The mediation will be treated as a settlement discussion and, therefore, will be confidential, and except as required by law, neither party may disclose the content or results of any mediation hereunder without the prior written consent of the other party. Each party may disclose the content and results of any

mediation to its employees who need to know such information, and to its directors, trustees, auditors, and legal counsel. Each party may also disclose the content and result of any mediation to the extent necessary to comply with applicable accounting standards with respect to its annual financial reports, and to allow its auditors to issue an unqualified opinion that the party's financial statements present fairly, in all material respects, the net assets of the party in conformity with accounting principles generally accepted in the United States.

- (6) Termination of Mediation. If the mediation does not result in a settlement within 90 days after the Notice of Mediation is sent, either party may terminate the mediation process by delivering a written notice of termination (the "Notice of Mediation Termination") to the other party. The Notice of Mediation Termination must be sent by electronic mail and a hard copy by U.S. Mail, as required in Section \_\_\_\_ (Notice).
- (7) Costs of Mediation. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.
- (8) Tolling of Statutes of Limitation during Mediation. All applicable statutes of limitation (and laches or any other time-bar defenses) will be tolled for the period commencing on the date the Notice of Mediation is sent and ending 60 days after the date on which the Notice of Mediation Termination is sent.

**B. Arbitration.** If the parties are unable to resolve the dispute through mediation, the parties agree to submit to binding arbitration in Stanislaus County, California, under the Commercial Arbitration Rules of the American Arbitration Association then existing. The arbitration shall take place before a mutually agreed upon arbitrator, who shall be a retired judge. If the parties do not agree on an arbitrator within 30 days, either party can petition the Court for the appointment of an arbitrator who shall be a retired judge. The arbitrator shall have the authority to permit discovery, including depositions, prior to the arbitration hearing, and such discovery shall be conducted consistent with the California Code of Civil Procedure. The arbitrator shall have no power or authority to award punitive or exemplary damages. Any award made may be confirmed in any court having jurisdiction. Any arbitration shall be confidential, and except as required by law, neither party may disclose the content or results of any arbitration hereunder without the prior written consent of the other parties, except that disclosure is permitted to a party's auditors and legal advisors.

THE PARTIES UNDERSTAND, ACKNOWLEDGE, AND AGREE THAT THEY ARE HEREBY WAIVING THEIR RESPECTIVE RIGHT TO A JURY TRIAL BY AGREEING TO SUBMIT ANY AND ALL DISPUTES TO FINAL AND BINDING ARBITRATION

Initials \_\_\_\_\_

Initials \_\_\_\_\_

**26. Time of the Essence**

Time is of the essence with respect to all provisions of this Agreement that specify a time for performance.

**27. Execution in Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which constitute the same instrument.

**28. Authority to Execute**

The persons signing this Agreement are duly authorized to execute the document on behalf of and to bind their respective parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first hereinabove written.

|  |  |
|--|--|
| <b>STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION</b><br><br>By: _____<br>Thomas Stadelmaier<br>Retirement Executive Director<br>"StanCERA" | <b>[PUBLIC ACCOUNTING FIRM]</b><br><br>By: _____<br><br>"PUBLIC ACCOUNTING FIRM" |
| APPROVED AS TO FORM:<br><br>By: _____<br>Fred A. Silva<br>Retirement Legal Counsel   |  |

## EXHIBIT A

### SCOPE OF WORK

The PUBLIC ACCOUNTING FIRM shall provide services under this Agreement as follows:

Provide audit services to StanCERA as described in PUBLIC ACCOUNTING FIRMS' response to StanCERA's RFP to perform financial audit services dated February 2026.

## EXHIBIT B

### COMPENSATION

The PUBLIC ACCOUNTING FIRM shall be compensated for services provided under this agreement as follows:

Professional Fees and Expenses for the Audit of the 2025/26 Financial Statements, as provided in Public Accounting Firms' response to the RFP, total not-to-exceed Maximum Price of \_\_\_\_\_.

Professional Fees and Expenses for the Audit of the 2026/27 Financial Statements, as provided in PUBLIC ACCOUNTING FIRMS' response to the RFP, total not-to-exceed Maximum Price of \_\_\_\_\_.

Professional Fees and Expenses for the Audit of the 2027/28 Financial Statements, as provided in PUBLIC ACCOUNTING FIRMS', total not-to-exceed Maximum Price of \_\_\_\_\_.

Professional Fees and Expenses for the Audit of the 2028/29 Financial Statements, as provided in PUBLIC ACCOUNTING FIRMS', total not-to-exceed Maximum Price of \_\_\_\_\_.