

ENERGY CREDITS & INCENTIVES ENGAGEMENT LETTER

August 6, 2024

Upshur County
100 W Tyler St, Gilmer, TX 75644

This letter is to confirm and specify the terms of our understanding with Upshur County (“you,” “your,” or the “County”) and to clarify the nature and extent of the tax consulting services Eide Bailly LLP (“Eide Bailly,” “we,” “our” or “us”) will provide.

SCOPE OF ENGAGEMENT

Eide Bailly LLP personnel will provide tax consulting services as requested. Our services will remain advisory in nature. We cannot act in a capacity equivalent to that of a member of management or of an employee. Decision making and oversight of services must remain the responsibility of management.

The scope of the consulting services will be to qualify, quantify, document, and assist in claiming amounts available to the County under Section 48 Energy Credit related to the Geothermal Energy System installation as part of the Upshur County Courthouse Restoration expected to be completed in late 2025 located at 100 W Tyler St, Gilmer, TX 75644. The scope of our consulting services include:

- Advising management on the existing regulations, the Inflation Reduction Act (“IRA”) and current guidance.
- Discussing with architects, engineers, and contractors on the qualifying criteria.
- Planning for scenarios and methods of monetizing incentives including rules under Section 6417, as applicable.
- Providing provisional assessments throughout the course of the construction project.
- Reviewing expenditure request forms, invoices, and other supporting documents.
- Reviewing the related financing terms of the tax-exempt bonds and advising on whether financing impacts eligible incentives.
- Evaluating on the Domestic Content Bonus eligibility and advising on Domestic Content Bonus certification.
- Evaluating and documenting the domestic content exceptions under Section 6417.
- Reviewing mapping and census tract data for Energy Community Bonus eligibility.
- Assisting with the IRS pre-registration filing requirements related to Section 6417 elections.
- Cost engineering to determine the appropriate basis, including treatment of indirect costs under Section 263A and other applicable code sections.
- Componentizing functionally interdependent property through our building software to determine basis amounts of dual use energy property.
- Conducting a property valuation to determine the applicability of the 80/20 Rule for retrofitted equipment added to qualified facilities.
- Draft proforma IRS forms and applicable election statements to aid in claiming the energy credits.
 - These services include determination of tax year end for initial 990-T filing.
- Prepare and electronically file Exempt Organization Business Income Tax Return (Form 990-T) to claim the energy credits.

- Performance of a site visit which will include photographs of qualifying energy property components, if needed.
- Provide a deliverable report to assist in substantiating the Energy Credit.

Throughout the course of the consulting engagement, we may identify other consulting services and opportunities. We will discuss with you any such scope under a separate engagement letter.

During the course of the engagement, we will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited), whether located within or outside the United States, (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider. You acknowledge that your information may be disclosed to such service providers, including those outside the United States.

It is our policy to keep records related to this engagement for eight years. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

By signing this engagement letter, you acknowledge and agree that upon the expiration of the eight-year period, we are free to destroy our records related to this engagement.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The provisions of this engagement letter will also apply to the preparation of any amended or superseded returns specific to the returns referenced above should such circumstances arise. This engagement letter does not cover the preparation of any financial statements, which, if we are to provide, will be covered under a separate engagement letter.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable fee. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns. This will include the ownership of or signature authority over any foreign bank accounts and the ownership of any other foreign financial assets, as well as ownership and/or trading activity involving any virtual currency. We will not verify the information you give us; however, we may ask for additional clarification of some information.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the return(s) to us. You also have final responsibility for the tax return and, therefore, the appropriate officials should review the return carefully before an authorized officer signs and files it.

Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

The Internal Revenue Service (IRS) permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the due date of the return. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax return(s).

We will perform our energy tax credit services in accordance with applicable professional standards. However, you understand and acknowledge that the results of the energy credit services are subject to challenge and should not be viewed by you as a representation, warranty, or guarantee that the IRS, or the courts will concur with our advice or conclusions.

TIMELINE

We will begin our procedures upon acceptance of this engagement agreement. We will work with you to develop a project timeline with expected completion dates and deadlines. We will work to meet these dates

assuming the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the timeline of our work will be impacted accordingly.

FEES

Our fees are based on the level of effort needed to calculate, document, and file for the credit. We anticipate that the work performed under the base services of this engagement letter will range between \$60,000 to \$80,000, plus actual out-of-pocket expenses such as travel time, mileage, lodging and meals as well as an administrative and technology fee of six percent.

Upon execution of this Agreement, you understand and agree that we will invoice you an advance fee totaling \$5,000. We will invoice any additional amounts on a monthly basis.

Our bills are due upon receipt. Should our relationship terminate before our tax consulting services are completed, you will be billed for services to the date of termination. All bills are payable upon receipt. A finance charge of 1% per month, which is an annual rate of 12%, will be added to all invoices that remain unpaid for more than thirty days. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

The ability to effectively and efficiently perform our engagement depends upon the quality of your underlying records and the timeliness of providing information and responding to our requests. A lack of preparation, including not providing this information in a complete, accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our engagement.

We may be requested to make certain engagement documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such engagement documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected engagement documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Eide Bailly to provide the services. Your confidential information is defined as any information you provide to us that is not available to the public. Our engagement documentation shall at all times remain the property of Eide Bailly LLP. The confidentiality obligations described in this paragraph shall supersede and replace any and all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, if applicable, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA.

Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

Upshur County accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this engagement:

- Make all management decisions and perform all management functions.
- Designate a competent individual to oversee the services.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services.
- Establish and maintain internal controls, including monitoring ongoing activities.

MEDIATION

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of a Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in Abilene, TX. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

LIMITED INDEMNITY

Eide Bailly LLP and its partners, affiliates, officers and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in the information provided to us to complete our engagement that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

LIMITATION OF LIABILITY

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive or exemplary damages, or attorneys' fees.

TIME LIMITATION

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the engagement. The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of a possible Dispute.

GOVERNING LAW AND VENUE

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by Texas law. Any unresolved Dispute shall be submitted to a federal or state court located in Austin, Texas.

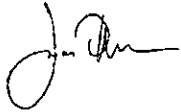
ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or disputes you may have against Eide Bailly to any person.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,



Joseph O'Neil
Partner, Business Credits & Incentives

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Upshur County by:

Name: 

Title: UPSHUR CO SUDGE
TODD TETTER

Date: 8-15-2024