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November 1, 2023

Carl Young
County Administrator
Huerfano County, Colorado
401 Main Street, Suite 302
Walsenburg, CO 81089

Re: Federal Income Tax Consulting Services for IRA Energy Incentives

Dear Mr. Carl Young:

Thank you very much for the opportunity to provide federal income tax consulting services to Huerfano County, Colorado (“Client”). As discussed, this letter (the “Agreement”) outlines the terms and conditions of our engagement.

ENGAGEMENT SCOPE

Ryan, LLC (“Ryan”) will conduct a federal income tax review of Client’s properties with potential energy tax incentive benefit for all open tax years at the time of execution of this engagement. Tax consulting will generally include **Energy Incentives from the Inflation Reduction Act of 2022 (IRA)**, amended, including but not limited to §§ 30C, 45, 45L, 45Q, 45U, 45V, 45Y, 45Z, 48, 48C, 48E, and 179D of the Internal Revenue Code.

The scope of this engagement is the **2023 Huerfano County PV Project** with an estimated construction cost of **\$441,000** at the following locations:

1. Judicial Building located at 323 Main Street, Walsenburg Colorado 81089
2. Community Center located at 928 Russell Street, Walsenburg Colorado 81089
3. Law Enforcement Center located at 500 S Albert Avenue, Walsenburg Colorado 81089
4. Social Services Building located at 121 W 6th Street, Walsenburg Colorado 81089

The **Low-Income Bonus** is valued at roughly **\$41,000 or up to 10% of the tax basis** in the construction costs of the Energy Property. The DOE started accepting the first-round of 2023 Low-Income applications on October 19, 2023 and will remain open for 30 days with an end date on or about ***Friday November 17th***. While no impact on the preregistration for the 30% investment Tax Credit, Ryan cannot guarantee acceptance of application close to the date without a signed engagement letter, properly executed power of attorney, and applicable document requests. Attached to this engagement is a copy of the F2949 Power Of Attorney and Request for Information (RFI) in order to file an application. Additionally, the Client

understands that the Low-Income Bonus cannot be claimed unless granted by the DOE, even if the application is timely filed, and that the DOE has limitations on the amount of (and/or capacity of) the energy properties that can be granted to all builder-developers across the United States.

The scope of the engagement does not include site-survey for the **Location Bonus** such as the Low-Income Community Bonus or other bonuses such as Tribal or Energy Community. If ultimately required, the Client will agree to provide at Client's cost a site-survey by independent third-party contractor in order to verify the bonus 10% tax credit claim related to such location. Should Ryan be required to verify the location of the Energy Properties, the Client and Ryan will amend the engagement to adjust for extra scope or utilize the blended hourly rates for out-of-scope services.

The scope does not include any **Prevailing Wage & Apprenticeship (PWA)** analysis. At the time of engagement, the project is exempted under IRS guidance from needing to prove PWA and thus the Client can claim the 30% bonus credit rate instead of the 6% base rate. Should Ryan be required to provide payroll certification, accounting services, and/or authenticate PWA, the Client and Ryan will amend the engagement to adjust for extra scope or utilize the blended hourly rates for out-of-scope services.

The scope will include a tax-basis review of the Energy Property but does not include any **Cost-Segregation / Fixed-Asset Study**. The client will agree to provide all such accounting and construction records by which the tax basis in the Energy Property can be calculated. Should Ryan be required to provide a fixed-asset or cost-segregation study, the Client and Ryan will amend the engagement to adjust for extra scope or utilize the blended hourly rates for out-of-scope services.

Ryan will identify, qualify, quantify, and support Client's claim for energy tax incentives specifically including:

- **Pre-File Registration & Low-Income Application:** Whether transferring the tax benefit or using direct-pay, the ITC option requires pre-filing registration with the Federal Register before filing the tax return. Additionally, the DOE can grant applications for the Low-Income Bonus through the same registration website. Ryan will assist the Client with paperwork and Client will receive a registration number for each specific property as well as the application for Low-Income Bonus, if applicable. Client understands that a properly executed Form 2848 Power of Attorney on behalf of the developer-owner of the energy property is a condition precedent to this service.
- **Supporting Tax Credit Memorandum:** All necessary pro-forma forms that Client and/or tax preparer can file with the IRS on a tax return (excluding tax return prep or tax

compliance itself on behalf of Client) and a complete report summarizing the available documentation, analysis, findings, and instructions for realize any savings identified. This report will include audit ready documentation summary and analysis that can be utilized during an IRS field exam.

- **Tax Research & Out-of-Scope:** As needed tax research on concept and design of the energy properties conceived by the Client and their design team as well as other tax and accounting services not specifically included within this engagement.

All Ryan services will be fully integrated to minimize any business disruptions to Client and maximize and sustain overall cash benefits. Prior to work commencement, Ryan will confirm in writing with Client the specific properties for which Client desires to be included in the scope of this agreement. Properties may be added to the scope of this agreement via written communication to Ryan throughout the course of the engagement.

Our classifications regarding energy or energy-efficient properties will be based upon our understanding of Client's business operations, the Internal Revenue Code, related regulations, Revenue Rulings and Revenue Procedures, court decisions, general construction & engineering knowledge, and other guidance related to the Energy Act 2005 and Inflation Reduction Act 2022 (IRA 2022) for 2023 and beyond projects.

ENGAGEMENT TERM

This Agreement will commence upon the execution hereof, and it will remain in effect until terminated. Either party may elect to terminate this Agreement without cause at any time upon providing the other party with thirty (30) days written notice. If Client elects to terminate this Agreement, Client will be responsible for fees and services rendered and reasonable expenses incurred up to the date of termination.

RESPONSIBILITIES

All services will be conducted under the supervision of Mr. Andy Hammons, who serves as Client Principal for Client. Mr. Ian Boccaccio, Principal, will serve as the Engagement Principal for this project. Mr. Scott Stogsdill, Director, will serve as the Project Manager for this engagement and will be responsible for staffing, project coordination, technical direction, and related issues. Additionally, throughout the course of this engagement, we will make every effort to arrange and schedule all work to avoid interruption of Client's normal business operations. Ryan may contract with outside resources with recognized expertise, as needed. With the exception of the fee arrangement described below, any subcontractors shall be bound by all terms and conditions of this Agreement, including but not limited to, all obligations of confidentiality.

COMPENSATION

Ryan's fee for this project will be a fixed fee in the amount of \$15,000 (roughly 3% of total tax benefits that will inure to Huerfano County) with the following break-out:

- **Pre-File § 6417 Registration:** **\$ 5,000**
- **Supporting Memorandum:** **\$10,000**

Other tax research or analysis not related specifically to the scope above (including specifically preconcept, concept, and design research or analysis) to maximize the credit, will be at the blended hourly rate of \$435 for Ryan professionals, plus expenses. Ryan may increase its hourly rates from time to time by publication of a new rate table, which shall occur no more frequently than once every twelve (12) months. The publication of a new rate table shall override Ryan's existing hourly rates, including rates that have been calculated by applying an annual percentage increase. All fixed and hourly fee rates shall automatically increase by four percent (4%) effective every January 1.

All invoices are due and payable in full within thirty (30) days. Client agrees to pay interest of one and one-half percent (1½%) per month on any past due fees. Client further agrees to pay all costs of collection, including, but not limited to, any collection agency or attorneys' fees, incurred by Ryan in connection with fees more than sixty (60) days past due. Ryan's preferred method of payment is via electronic funds transfers ("EFT"), and EFT instructions will be provided to Client on each invoice. In the event Client is unable to remit payment via EFT, Ryan will accept checks, credit cards, or purchasing cards; however, if payment is made using a credit card or purchasing card, Client authorizes Ryan to add a processing fee to the payment. Such processing fee is currently three percent (3%) of the payment amount and is subject to change upon thirty (30) days prior notice. Ryan and Client shall abide by the rules of the National Automated Clearing House Association (or other similar local regulator) and the banking laws of the United States (or other applicable jurisdiction) when performing EFT (or similar electronic payment) transactions.

NOTICE

Any notice to be given under this Agreement shall be given in writing and may be made by personal delivery or hand delivery by courier, by overnight reputable national courier, or by placing such in the United States certified mail, return receipt requested. Notices to Client should be sent to the address indicated on the first page of this Agreement and notices to Ryan should be addressed as follows:

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Ryan, LLC
Three Galleria Tower
13155 Noel Road
Suite 100
Dallas, Texas 75240
Attn: Chairman and CEO

With a copy to: Attn: Chief Legal Officer at the same address
With email copies to: chairman@ryan.com and legal.notices@ryan.com

DELIVERY OF SERVICES

Client agrees to provide access to all necessary documents, supporting workpapers, policies, and personnel that may facilitate our review and recommendations with respect to this engagement. Ryan is entitled to assume without independent verification the accuracy of all representations, assumptions, information, and data provided by Client.

INTEGRITY AND CONFIDENTIALITY

We guarantee that all matters associated with the professional services we render will be directed with the highest degree of professional integrity. Accordingly, all information that Client makes available to Ryan shall be considered confidential, proprietary information, and Ryan shall not disclose such information to any third party except as required in fulfilling duties described by this Agreement or to comply with an official order of a court of law.

Additionally, Client agrees that Ryan's work product, including specific engagement procedures and techniques, constitutes proprietary and exclusive information, and Client further agrees not to disclose such information to any third party without obtaining prior written approval from Ryan. Additionally, Ryan's tax saving strategies constitute proprietary and exclusive information; provided, however, that notwithstanding the foregoing, Ryan does not limit Client's disclosure of the tax treatment or the tax structures of the transactions. This Agreement does not include information independently developed by Client, information previously known to Client, or information rightfully received by Client from a third party without confidential limitations.

LAW GOVERNING AGREEMENT

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for any dispute with respect to this Agreement shall reside in a court of competent jurisdiction in Dallas, Dallas County, Texas.

ACKNOWLEDGMENT

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Thank you for the opportunity to assist you with this project. If the above terms and conditions meet with your approval, please sign and return a copy of this Agreement at your convenience. Upon acceptance, we will contact you to arrange a mutually acceptable time to begin our review. If you have any questions, or if you would like to discuss this Agreement further, please contact Mr. Andy Hammons at 615.238.6925.

RYAN, LLC:

HUERFANO COUNTY:

By:

By:

Name: Andy Hammons

Name:

Title: Principal

Title:

Date: October 13, 2023

Date: _____