



June 16, 2022

Michelle Totherow
The Culture and Heritage Commission of York County
4621 Mt. Gallant Road
Rock Hill, South Carolina 29732

Dear Michelle:

We appreciate the opportunity to be your service provider. This letter, and the attached Terms, Conditions and Limitations (Terms), confirms our understanding of the tax preparation services that Elliott Davis, PLLC (we or us) will perform for The Culture and Heritage Commission of York County (you) for the year ending 06/30/2022. Please review this letter and the attached Terms, sign where indicated and return it to us at your earliest convenience. If you have any questions with regard to this engagement letter or the Terms, please contact your client service representative.

Tax Return Preparation Services

We will prepare your Federal and state income tax returns that we have specified in the schedule of "Deliverables" at the end of this letter. We will not prepare any tax returns other than those identified in the "Deliverables" schedule, without your request, and our consent to do so. If you would like to add tax returns or informational filings for related taxpayers or other international, state or local filings to this schedule (such as unrelated business income tax returns required by state(s), and/or other state filings under the state's annual registration and/or charitable solicitation requirements), and we agree to provide them to you, please add these to "Schedule of Additional Tax Returns to be Prepared" at the end of this letter, initial next to the addition(s) and be sure to return the schedule to us along with your signed engagement letter.

This engagement does not include any of the following services: unrelated business taxable income analysis and reporting; annual state registration and charitable solicitation analysis and reporting; a study of states or localities in which you may be required to file; international filings; sales and use tax returns; business license returns; payroll tax returns; and other related services unless separately noted in the "Additional Tax Returns to be Prepared" at the end of this letter. Services for additional analyses or returns will increase our time required for this engagement, and will increase the amount of our fees and expenses described below.

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services ("SSTS") issued by the American Institute of Certified Public Accountants ("AICPA") and U.S. Treasury Department Circular 230 ("Circular 230"). It is our duty to perform services with the same standard of care that a reasonable income tax preparer would exercise in this type of engagement.

We will advise you if we believe, based on the information that you provide us, that an income or franchise tax return should be filed in any other jurisdiction, but we will not prepare any such tax return without your approval. Any new or expanded activities in additional states or activities of a partnership, LLC, trust or other pass-through entity in which you are an owner or beneficiary may trigger additional state filings. Please contact us if you have experienced any of these activities over the past year.

We will prepare these returns based on information you furnish to us as provided under “Your Responsibility to Provide Information” below. If you have engaged a third party to provide you with audit, review, or compilation services, we may also rely on information that we receive from the third party in preparing your tax returns. We will rely on the data you submit to us and which we receive from the third party and we will not audit or otherwise verify this data.

If we determine that you are eligible for a specific tax credit, exclusion or deduction, we will either apply any such tax benefit in preparing your tax returns or we will advise of its availability and relevant considerations to permit you to decide whether to take advantage of the tax benefit. Such advice may require a detailed review of business or investment activities which is beyond the scope of services of this engagement letter. If you would like us to undertake such a detailed review, please contact us to discuss the terms of an engagement for these services.

Under Internal Revenue Code and professional standards, we may find it necessary to attach a disclosure statement to a tax return in order to prepare and sign that return. The disclosure may in some cases reduce your risk of penalties attributable to a substantial understatement. If we identify positions on your returns that may be affected by these standards, we will contact you to discuss the tax return filing position(s), disclosure statement(s), and other relevant considerations for your tax return(s).

Tax planning services are not within the scope of this engagement. During the course of preparing the tax returns identified in the schedule of “Deliverables”, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer. If you ask us to provide tax planning services, and if we agree to provide them to you, we will confirm this representation in a separate engagement letter.

We have not been engaged to prepare financial statements. We will not respond to any request from banks, mortgage brokers, lenders or others for verification of any information reported on these tax returns. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

If we conclude as a result of our research that you are required to disclose a transaction on your tax return, you consent to attach Form 8275 or 8275-R to your tax return for filing after we discuss the matter with you. If the IRS, state or local tax authorities later contest the position taken, additional tax, penalties, and interest may be assessed. We assume no liability, and you hereby release us from any liability, including but not limited to, additional tax, penalties, interest, and related professional fees for the position taken.

Your Responsibility to Provide and Maintain Information

To prepare your tax returns, it will be necessary for you to provide us with the financial and other information that we request. We may provide you with an organizer, a questionnaire, and/or another request for information for the preparation of your returns, and it is necessary for you to respond to these requests completely, accurately and in a timely manner. If you have any questions relating to our information requests, please contact us.

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits,

and deductions on your returns, as required under applicable tax laws and regulations. You are responsible for the adequacy of all information provided in such documents. You represent that you have such documentation and can produce it if needed, to respond to any audit or inquiry by tax authorities. You agree to hold harmless our firm and its shareholders, principals, officers, directors, members, employees, agents or assigns with respect to any additional tax, penalties, or interest imposed upon you by tax authorities resulting from the disallowance of tax deductions due to inadequate documentation.

You must deliver all financial and other information necessary for preparation of your returns to us no later than 30 days prior to the original filing due date of the returns. It may become necessary to apply for an extension of the filing deadline (if available) if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations to file a legal action. All taxes owed are due by the original filing due date. Additionally, filing an extension may affect your liability for penalties and interest or compliance with governmental or other deadlines. If your return has already been extended, you must deliver the information to us at least 30 days before the extended due date. If we do not receive the information timely we may not be able to complete your returns prior to the deadline and any taxes, penalties and/or interest that are due as a result of late filing and/or late payment of taxes are your responsibility.

To the extent you wish to engage our firm to apply for extensions of time to file tax returns on your behalf, you must notify us in writing. Our firm will not file these applications unless we receive a signed copy of this engagement letter and your express written authorization to file for an extension. In some cases, your signature may be needed on such applications prior to filing. Failure to timely file for an extension of time to file or failure to provide us sufficient or timely information to estimate your tax liability can result in penalties for failure to file tax returns and failure to pay taxes when due, which accrue from the original due date of the returns, and can be substantial. These penalties are your responsibility. Also note that if your return is extended, we will invoice you under the terms above for services rendered for preliminary work performed in preparing the returns and extensions.

You have final responsibility for your income tax returns. We will provide you with a copy of your income tax returns and accompanying schedules and statements prior to filing with the IRS and state and local tax authorities (as applicable). You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879-EO, *IRS e-file Signature Authorization*, and any similar state and local equivalent authorization form before your returns can be electronically filed.

In the event that you do not wish to have your tax returns electronically filed, please contact our firm. Additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

You agree to indemnify and hold our firm and any of its shareholders, principals, officers, directors, members, employees, agents or assigns harmless with respect to any and all claims arising from the use of the tax returns

for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

International Tax

It is your responsibility to inform us if you directly or indirectly hold any interest in assets or businesses located in a foreign country or have signature authority in any assets or financial accounts located in a foreign country. U.S. citizens and U.S. residents who are officers, directors, or shareholders in certain foreign corporations may be required to attach additional forms to a federal income tax return (e.g., IRS Form 5471, Form 926, and Form 8938). If any of these forms were prepared for you last year, we will prepare the forms as applicable for you this year. If we have not prepared these forms in the past and it appears that one or more should be attached to your return, we will discuss this determination with you.

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

Foreign Account Reporting

As part of your filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. You are responsible for informing us of all foreign assets, so we may properly advise you regarding your filing obligations.

These assets include any ownership interests you directly or indirectly hold in businesses located in a foreign country, and any assets or financial accounts located in a foreign country over which you have signature authority. Based upon the information you provide, this information will be used to calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include *FinCEN Form 114, Report of Foreign Bank and Financial Accounts* ("FBAR"). Failure to file required forms can result in the imposition of both civil and criminal penalties, which may be significant. The FBAR is not a tax return and its preparation is not within the scope of this engagement. If you ask us to prepare the FBAR, we will confirm this representation in a separate engagement letter.

Unrelated Business Taxable Income

If your organization produces revenue from a trade or business activity not directly related to its tax-exempt purpose, it may have unrelated business taxable income that must be reported separately from other income. You are responsible for informing us of any potential unrelated business taxable income. At your written request, we will provide an analysis of the tax treatment of an activity, subject to an additional fee to be set forth in a separate engagement letter.

COVID-19

We acknowledge that federal, state and local governments, both domestic and foreign, may restrict travel and/or the movement of their citizens due to the ongoing and evolving situation around COVID-19. In addition, like many organizations and companies in the United States and around the globe, we have restricted our employees from travel and onsite work, whether at a client facility or our facility, to protect the health of both our employees and your employees. Accordingly, to the extent that any of the services described in this arrangement letter requires

or relies on our personnel to travel and/or perform work onsite, either at your facility or our facilities, including, but not limited to, maintaining business operations and/or IT infrastructure, we and you acknowledge and agree that the performance of such work may be delayed, significantly or indefinitely, and thus certain services described herein may need to be rescheduled and/or suspended at either our or your sole discretion. We and you agree to provide the other with prompt written notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. We and you also acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein. We will obtain your prior written approval (email will be sufficient) for any increase in the cost that may result from the situation surrounding COVID-19.

Fees and Expenses

We estimate that the amount of our fees for preparing your tax returns will be \$2,500.00. You must also pay other expenses (e.g., postage, software, travel and computer expenses (\$300 estimate per return)) relating to the services at our normal rates. Changes in the scope of our services, including preparation of additional returns, researching unanticipated technical issues, or performing accounting work as a precondition to tax return preparation, as well as our receipt of necessary information less than 30 days prior to the due date of the returns will impact our fee. If additional services are requested or additional returns are required to be prepared under this engagement letter, additional time will be required on our part which will result in additional fees to complete the services or returns.

Certain Additional Services

In connection with your tax returns or in response to your request(s), we may provide you with federal, state, local or international tax advice or tax planning services that are not the subject of a separate engagement letter. We may also (at your request) assist you in responding to inquiries from the IRS or from other tax authorities concerning the tax returns that we prepare on your behalf. These services are beyond the scope of tax return preparation. Our fees for tax advice, tax planning or responding to inquiries will be billed at our standard hourly billing rates based on the time required for work performed, the complexity of any technical issues addressed and the impact of any impending deadline, plus out-of-pocket expenses. Unless these additional services are the subject of a separate engagement letter our services in rendering that advice or responding to inquiries will be subject to the terms of this letter including the attached Terms.

Confirmation of Management Responsibility

If we provide attest services to you, professional rules concerning independence require that we confirm your overall responsibility for evaluating our preparation and your filing of these tax returns and a failure to confirm your management responsibility could affect our independence. You have indicated that you will designate an individual who will exercise all management responsibility for overseeing our services described above, for evaluating the adequacy and accepting the results of our services, and for making all management decisions with respect to our services and filing of your tax returns.

Use of Information in Accounting and Attest Services

If you have engaged us to provide you with audit, review, compilation or other accounting or attest services information from or relating to your tax returns may be relevant to financial statement reporting or to other accounting or attest services. By signing below, you authorize us to use your tax returns and other tax-related information in connection with our performance of these accounting or attest services.

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Conditions and Limitations

To assist you in understanding the scope of our services and other matters related to our preparation of your tax returns, we have attached our "Terms, Conditions, and Limitations for Tax Services." All our tax return preparation services are expressly subject to these conditions and limitations and by signing below you will agree to them. Please note that handwritten changes to this letter or to the attached terms and conditions will have no legal effect.

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If this letter accurately describes the arrangement for our services to you, please sign the enclosed copy of this letter and return it to us at your earliest convenience. This letter and the attached terms and conditions are binding on all persons and entities whose returns are to be prepared pursuant to this letter and each signatory below represents that he or she has the legal power and authority to act on behalf of and to bind those persons and entities.

We value our business with you and appreciate the trust that you have placed in us. Thank you for the opportunity to be of service to you.

Sincerely,

ELLIOTT DAVIS, PLLC



Janice Ratica, CPA
Managing Director

Agreed and Accepted:

The Culture and Heritage Commission of York County

Richard Campbell Ex. Director
Signature and Title

Richard Campbell
Print Name

6/27/2022
Date

rcampbell@chmuseums.org
E-mail Address

803.909.7203
Preferred Contact #

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Deliverables

Client Name	Form Number	Name of each federal/state tax return	Additional fees (if applicable)
The Culture and Heritage Commission of York County	990	RETURN OF ORGANIZATION EXEMPT FROM INCOME	

Additional Tax Returns to be Prepared

Taxpayer	Additional Returns
{{AddTaxPayer1_es_:signer }}	{{AddTaxPayer1Returns_es_:signer }}
{{AddTaxPayer2_es_:signer }}	{{AddTaxPayer2Returns_es_:signer }}
{{AddTaxPayer3_es_:signer }}	{{AddTaxPayer3Returns_es_:signer }}
{{AddTaxPayer4_es_:signer }}	{{AddTaxPayer4Returns_es_:signer }}
{{AddTaxPayer5_es_:signer }}	{{AddTaxPayer5Returns_es_:signer }}
{{AddTaxPayer6_es_:signer }}	{{AddTaxPayer6Returns_es_:signer }}
{{AddTaxPayer7_es_:signer }}	{{AddTaxPayer7Returns_es_:signer }}
{{AddTaxPayer8_es_:signer }}	{{AddTaxPayer8Returns_es_:signer }}
{{AddTaxPayer9_es_:signer }}	{{AddTaxPayer9Returns_es_:signer }}

Terms, Conditions and Limitations for Tax Services

This document (the "Terms") is an addendum to the Engagement Letter and describes certain customary practices, as well as our standard terms, conditions, and limitations relating to our provision of tax services (the "Services"). All work that we provide to you or any third party relating to the Services are subject to the Terms unless we expressly agree otherwise by written instrument signed by an authorized shareholder or principal that specifically refers to the Services covered by this Engagement Letter. References to the "Engagement Letter" mean the letter or other document describing the scope of our services and the associated fee arrangement to which these Terms are attached. References to the "Code" mean the Internal Revenue Code as amended and in effect on the date the Services are provided. Any reference in the Terms to "firm," "we," "us," or "our" is a reference to Elliott Davis, LLC, and any references to "you," or "your" is a reference to the party or parties that engaged us to provide Services.

1. **Term.** Unless terminated sooner, this engagement shall terminate on the completion of the Services referenced in the Engagement Letter to which these Terms are attached. Upon termination of the engagement, you will compensate us under the terms of the Engagement Letter for the Services performed and expenses incurred through the effective date of termination.
2. **Billing.** Our fees and expenses will be billed on a periodic basis. Each invoice is payable upon receipt of the invoice. If you believe that any invoice is incorrect or if you wish to dispute any invoice, you must notify us in writing within 15 days of your receipt of the invoice. We reserve the right to charge interest at the rate of 1% per month on any balance that is not paid within 30 days of the invoice date.
3. **Suspension of Services.** We reserve the right to suspend or terminate performance of our Services for non-payment of fees. If our Services are suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of our services. Our suspension of Services will not affect your obligations to us under the Engagement Letter or these Terms.
4. **Time Limitation on Claims.** No claim or action by either party, regardless of whether the claim is in contract, in tort, at law or in equity, arising out of or relating to any matter under the Engagement Letter may be brought by either party (a.) more than 12 months after the party first knows or has reason to know that the claim or cause of action has accrued or (b.) more than 36 months following the completion of the Services under the Engagement Letter. This paragraph may shorten, but in no event will it extend, any period of limitation on actions otherwise provided by applicable law.
5. **Uncontrollable Delays.** The time for performance of any of your or our obligations (other than the obligation to pay money due) will be extended for a reasonable time in the event of causes beyond your or our reasonable control, including without limitation acts of God, war, acts of government, fire, flood, strike or labor problems, sabotage, and delays in obtaining labor, materials, equipment, or transportation.
6. **LIMITATION AND DISCLAIMER OF WARRANTIES. THIS IS A SERVICES ENGAGEMENT. WE WARRANT THAT OUR SERVICES WILL BE PERFORMED IN GOOD FAITH AND WITH DUE PROFESSIONAL CARE. WE DISCLAIM ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. YOUR EXCLUSIVE REMEDY FOR ANY BREACH OF THIS WARRANTY SHALL BE FOR OUR FIRM, UPON RECEIPT OF WRITTEN NOTICE FROM YOU, TO USE DILIGENT EFFORTS TO CURE SUCH BREACH, OR, FAILING ANY CURE IN A REASONABLE PERIOD OF TIME, THE RETURN OF PROFESSIONAL FEES PAID TO US HEREUNDER WITH RESPECT TO THE SERVICES GIVING RISE TO SUCH BREACH.**
7. **Confidentiality.** Internal Revenue Code §7525, *Confidentiality Privileges Related to Taxpayer Communication*, provides a limited confidentiality privilege applying to tax advice embodied in taxpayer communications with federally authorized tax practitioners in certain limited situations. This privilege is limited in several important respects. For example, the privilege may not apply to your records, state tax issues, state tax proceedings, private civil litigation proceedings, or criminal proceedings. While we will cooperate with you with respect to the privilege (and use reasonable precautions and safeguards to keep your information confidential), asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this federally authorized practitioner-client privilege.
8. **Engagement of Other Parties.** In the interest of enhancing our availability to meet your professional service needs while maintaining service quality and timeliness, we may use seasonal staff, interns, independent contractors, and/or another service provider to assist us. This may include provision of your confidential information to a third party service provider. We require any third party service providers to have established procedures and controls designed to protect client confidentiality and maintain data security. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. By accepting the terms and conditions of our engagement, you are providing your consent and authorization to disclose your confidential information to a third party service provider, if such disclosure is necessary to deliver professional services or provide support services to our firm. Our engagement of any third party does not affect our obligations to you.

9. Independent Contractor. For all Services that we perform, we will be an independent contractor and not your employee, agent or partner, and we will determine the method, details and means of performing our Services. We assume full and sole responsibility for the payment of all compensation and expenses of our employees and for all of their applicable employee withholdings. Our obligations to you are exclusively contractual in nature.

10. Third Party Designee. You may allow the IRS to discuss your tax return information with a third party by completing the Third Party Designee section of your tax return, generally referred to as "Checkbox Authority." This allows the IRS to discuss the processing of your current tax return, including the status of tax refunds, with the person you designate. This authorization is limited to matters concerning the tax return containing the completed Third Party Designee section. Unless you tell us otherwise, we will check the box on your tax return(s) authorizing the IRS to discuss that tax return (or those tax returns) within the scope of this Engagement Letter with us.

11. Third Parties and Internal Use. Except as otherwise agreed in writing, all Services provided are solely for your internal use, filing with a federal and/or state tax agency, and this engagement does not create privity between our firm and any person or party ("Third Party") other than you. This engagement is not for the express or implied benefit of any Third Party. No Third Party is intended to rely on our Services without our written consent. You may, however, disclose any and all aspects of our advice, opinions, reports or other Services to any person(s) without limitation.

12. Indemnification and Limitation of Liability. Each party agrees to indemnify, hold harmless and defend the other from and against any and all claims, actions, fees, expenses, costs, damages, losses and liabilities (including reasonable attorneys' fees) (collectively, "Liabilities") for bodily injury or death of any person or damage to real or tangible personal property which the other party may sustain or incur, to the extent such Liabilities result from the gross negligence or willful misconduct of the indemnifying party, its employees, agents or representatives. We agree to indemnify, hold harmless and defend you from and against any and all Liabilities to the extent such Liabilities result from the infringement of any third party's intellectual property by any deliverables provided pursuant to these Terms. The foregoing indemnification will not apply to the extent any infringement results from: (a.) the use of the deliverables other than in accordance with these Terms and any applicable documentation or instructions supplied by us; (b.) any modification to the deliverables not expressly agreed to in writing by us; or (c.) the combination of the deliverables with any materials not provided or expressly approved by us. You agree to indemnify, defend and hold us harmless from and against any and all Liabilities incurred or suffered by or asserted against us to the extent such Liabilities result from a Third Party's use, possession of or reliance upon our advice, information or work product as a result of your direct or indirect disclosure to such Third Party.

13. Effect on Other Agreements. The preceding Indemnification and Limitation of Liability Term does not limit our obligations or liability of the Firm under any separate agreement for the provision of audit, review, compilation or other accounting or attest services.

14. Right to Terminate. Each party shall have the right to terminate the Services referenced in this Engagement Letter at any time, with or without cause, by giving written notice to the other party not less than thirty (30) days before the effective date of termination; provided that, in the event of a termination for cause, the breaching party shall have the right to cure the breach (as noted below) within the notice period. If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or our profession, we may be required to suspend or terminate our Services. Further, to the extent circumstances change such that our performance of any part of the engagement would be impermissible or in conflict with independence or professional rules, we may be required to suspend or terminate our Services.

15. Opportunity to Cure. In the event that we fail to meet our obligations under the Engagement Letter or these Terms, you agree to notify us in writing and provide us with the opportunity to re-perform the Services. If the Services cannot be re-performed, or if re-performance will not cure the breach, then your remedy will be for us to refund our fees relating to these Services up to the amount of your direct damages caused by our failure to meet our obligations. Except for each party's indemnification obligations under these terms, the total liability of each party (and their respective affiliates, shareholders, principals, officers, directors, employees, contractors, agents and representatives) relating to the engagement letter and these terms will in no event, other than in the case of gross negligence or willful misconduct on the part of either party, exceed an amount equal to the fees paid (in the case of our liability) or owing (in the case of your liability) to us under the engagement letter and these terms. In no event will either party (or their respective affiliates, shareholders, principals, officers, directors, employees, contractors, agents or representatives) be liable for any special, consequential, incidental, punitive or exemplary damages or loss (nor any loss of profits, savings, data, use of software or hardware or business opportunity, or interruption of business) even if advised of the possibility of such loss.

16. Disclaimer of Legal and Investment Advice. Our Services under the Engagement Letter and these Terms do not constitute legal or investment advice. If you provide our firm with copies of brokerage (or investment advisory) statements, we will use the information from these statements solely in connection with the Services as described in the Engagement Letter. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. We will not monitor investment activity, provide investment advice, or supervise the actions of the entity or individuals performing investment activities on your behalf. We recommend you review all brokerage (or investment advisory) statements promptly and carefully, and direct any questions regarding activities on your account to your broker (or investment advisor). We recommend that you retain competent legal counsel and investment advisers.

17. Referrals. In the course of providing services to you, you may request referrals to attorneys, brokers, investment advisors or other professionals. We may identify a professional or professionals for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional and determining if the professional can meet your needs. You agree that we have no responsibility for and will not oversee the activities of any professional to whom we refer you.

18. Tax Services and Advice. Services within the scope of this Engagement Letter may include tax advice and are based upon tax reference materials, facts, assumptions, and representations that are subject to change. Tax reference materials include, but are not limited to, the Internal Revenue Code ("IRC"), tax regulations, Revenue Rulings, Revenue Procedures, private letter rulings, court decisions, and similar state tax authorities. We will not update Services within the scope of this Engagement Letter or our tax advice after the conclusion of the engagement for subsequent legislative or administrative changes or future judicial interpretations. To the extent we provide written advice concerning federal or other tax matters, we will follow the guidance contained in Circular 230, §10.37, Requirements for Written Advice.

19. Collection of Information and use of information collected. We collect various types of information from and about you. The following are some types of Personal Information gathered: (a) Contact Information-certain Personal Information, such as your name, address, city, state, zip code, phone number and email; (b) Email Information-when you send us email messages, we may retain the content along with your email address and our response to you; and (c) Information obtained through conversations, face-to-face interviews, telephone, applications, or electronically-this may include, but not be limited to, date of birth, social security number, tax status, yearly income and expense, bank account information, and various legal and financial documents that would help us provide services requested by you. We may use personal information that you share with us to: (a) provide you with services, respond to your requests, and meet our obligations to you; (b) share information with you; (c) provide you with updates, marketing communications, advertising, or offers for services; (d) verify your identity, prevent fraud, and protect your personal information; (e) personalize your interactions with us; and (f) manage your preferences. California residents: For more detailed information, please review our Privacy Notice at <https://www.elliottdavis.com/privacy-notice/> for your rights under the California Consumer Protection Act.

20. Newsletters and Similar Communications. We may send newsletters, emails, explanations of selected technical developments or similar communications to you. These communications are of a general nature and should not be construed as tax or other professional advice. These communications do not, by themselves, constitute a client relationship/engagement with you, nor do they constitute advice or an undertaking on our part to monitor any specific issues for you.

21. Limitations on Oral and Email Communications. We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum or more formal advice delivered as an email attachment, through the mail or another electronic medium) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions. Due to these limitations and the related risks, it may or may not be appropriate to proceed with a decision solely (or a particular tax return position) on the basis of any oral or email communication from us. You accept all responsibility, except to the extent caused by our gross negligence or willful misconduct, for any liability including but not limited to additional tax, penalties or interest resulting from your decision (a.) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (b.) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this service in a separate engagement letter.

22. Electronic Data Communication and Storage. In the interest of facilitating our services to you, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

23. Electronic Signatures and Counterparts. Each party hereto agrees that any electronic signature is intended to authenticate a written signature, shall be valid, and shall have the same force and effect as a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

24. Disclosure of Certain Transactions. The IRS and many states impose penalties for a substantial understatement of tax. To avoid the substantial understatement penalty (to the extent you may be found to have a "substantial understatement of tax" as described in IRC § 6662, Treas. Reg. §1.6662-4(a), or relevant state law), you must have "substantial authority" (as described in Treas. Reg. § 1.6662-4(d)(2)) to support the tax treatment of the item challenged by the IRS (or state tax agency) or "adequate disclosure" (as described in Treas. Reg. § 1.6662-4(e)) with respect to the item. To fulfill the adequate disclosure requirement (as described in Treas. Reg. § 1.6662-4(f)), you may be required to attach a completed IRS Form 8275, Disclosure Statement, or 8275-R, Regulation Disclosure

Statement, which discloses all relevant facts, to the relevant tax return. A disclosed tax position that meets the “reasonable basis” standard (as described in Treas. Reg. § 1.6662-3(b)(3)) must have some authority supporting the position and be more than simply arguable. If you request our assistance in identifying or performing further research to ascertain if there is “substantial authority” (or another level of authority that may be relevant) for a specific item or tax return position, we will confirm your request (and the separate scope of those Services) in a separate engagement letter. It is your responsibility to contact us if additional assistance is requested in that context. If we conclude as a result of our research that you are required to disclose a transaction on your tax return, you consent to attach a completed Form 8275 or 8275-R to your tax return for filing after we discuss the situation, related considerations, and potential alternatives with you.

25. **Listed Transactions and Other Reportable Transactions.** Federal and several states’ laws impose substantial penalties on taxpayers for failure to disclose listed and other reportable transactions on Form 8886, Reportable Transaction Disclosure Statement (and/or state equivalent disclosure form, as applicable). In general, federal reportable transactions (described in Treas. Reg. § 1.6011-4) are potentially abusive transactions identified by the IRS whose primary purpose is tax avoidance, including but not limited to listed transactions, confidential transactions, transactions with contractual protection, loss transactions, and transactions of interest. To the extent you have participated in any federal or state reportable transaction (which may have been promoted or presented to you by another advisor or Third Party) during any tax period relevant to the scope of services in this Engagement Letter, you agree to advise us of the relevant facts and circumstances regarding your participation in such transaction(s). Additional time spent addressing Federal and/or states’ disclosure requirements relevant to any/all tax returns that may be within the scope of this Engagement Letter will be billed to you at our standard hourly rates. The tax law related to tax positions, reportable transactions and tax shelters impose a higher standard on us, as the tax return preparer, than if you prepared the tax return. If you do not consent to a required disclosure, we may be unable to prepare your tax returns. Accordingly, by executing this Engagement Letter, you acknowledge that you are aware of this difference in standard and consent to our preparation of your federal tax return in accordance with the standards applicable to our firm as tax preparers. You agree to hold our firm harmless with respect to any liability including but not limited to, additional tax, penalties, interest and professional fees resulting from your failure to timely notify us, in writing, of any tax shelters and/or reportable transactions identified in tax reference materials in order to facilitate the timely preparation and filing of your tax returns.

26. **Economic Substance.** IRC § 7701(o) Codified the “economic substance” doctrine. If a taxpayer enters into a transaction that does not meet the economic substance standard and the transaction reduces federal tax, the portion of the taxpayer’s reduction in tax that is attributable to the transaction is subject to a 40% federal penalty (additional penalties may apply under relevant state law). With adequate disclosure (Form 8275, *Disclosure Statement* attached to the relevant tax return) the federal penalty may be reduced to 20%. To the extent you have participated in any transaction lacking “economic substance” (which may have been promoted or presented to you by another advisor or Third Party) during any tax period relevant to the scope of services in this Engagement Letter, you agree to advise us of the relevant facts and circumstances regarding your participation in such transaction(s). Additional time spent addressing Federal and/or states’ disclosure requirements relevant to any/all tax returns that may be within the scope of this Engagement Letter will be billed to you at our standard hourly rates.

27. **Documents and Files.** We will return to you all original documents provided to us in connection with the performance of our Services. We may retain copies of these documents for our files. Our copies of your records and documents are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations.

28. **Work Product.** We will deliver to you the tax returns or other items expressly enumerated in and subject to the terms of the Engagement Letter. You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All templates, checklists, questionnaires, letters, agreements and other similar documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce or make available to anyone other than your personnel, any such documents. This provision will apply to all materials whether in digital, “hard copy” format or other medium. We, in our sole discretion, may provide you with access to or copies of our files, but you will be obligated to pay all costs associated with such access or copies.

29. **Working Paper/File Access.** State, federal and foreign regulators may request access to or copies of certain workpapers pursuant to applicable legal or regulatory requirements. Requests also may arise with respect to peer review, an ethics investigation, the sale of your organization, or the potential sale of all or part of our business. If requested, access to such workpapers will be provided under the supervision of firm personnel. Regulators may request copies of selected workpapers to distribute the copies or information contained therein to others, including other governmental agencies. If we receive a request for copies of (or access to) selected workpapers, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such request as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit the disclosure of information. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request. If we are not a party to the proceeding in which the

information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

30. **Document Production and Testimony.** If we are requested or authorized by you, or if we are required by government regulation, subpoena or other legal process, to produce any documents or files, or to make our personnel available as witnesses with respect to any engagement, you will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the reasonable fees and expenses of our counsel, incurred in responding to such requests.

31. **Record Retention.** Federal tax law requires us to retain either copies of tax returns we prepare or specified information relating to those returns, as well as certain other documents related to our tax Services for varying time periods. Workpapers and other documents created by us are our property and will remain in our control. Our current policy (which we may revise at any time and in our sole discretion) is to retain copies of tax returns and certain related workpapers for seven years after the return is filed, subject to casualties beyond our control. We provide our clients with a file copy of each tax return for which we are a signing preparer and we recommend that you retain this copy for seven years. For reasons unrelated to taxes, decisions regarding your document retention may involve a variety of legal considerations (e.g., statutes of limitations, rules of evidence), and you may wish to consult your legal counsel to address these legal considerations as applicable to your facts and circumstances.

32. **Dispute Resolution.** If a dispute arises out of or relates this Engagement Letter, including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under the *AAA Professional Accounting and Related Services Dispute Resolution Rules* before resorting to arbitration, litigation, or some other dispute resolution procedure. The mediator will be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. The mediation will be conducted in South Carolina. The mediation will be treated as a settlement discussion and, therefore, all conversations during the mediation will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs for legal representation shall be borne by the hiring party.

33. **Governing Law.** The Engagement Letter (including these terms, conditions, and limitations) and any dispute or claim arising out of or relating thereto will be governed by and construed in accordance with the laws of, and mediations initiated as a result of this engagement shall be administered pursuant to the mediation rules of, the State of South Carolina, where the Firm is headquartered. All mediation, litigation or other legal proceedings will be brought in the State or Federal courts located in that state. The parties agree to this choice of law, jurisdiction and venue, and waive any defense of an inconvenient forum. The parties also waive trial by jury and agree that any dispute or claim should be resolved by a judge without a jury.

34. **Assignment.** All parties acknowledge and agree that the terms and conditions of this agreement (Engagement Letter and Terms) shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

35. **Notices.** Any notices given pursuant to these Terms will be in writing, delivered to the addresses set forth in the Engagement Letter or proposal (if any) unless changed by either party (by prior written notice to the other party), and will be effective upon receipt.

36. **Other Engagements, Contracts, or Agreements.** We may have agreed to provide you with tax return preparation, tax consulting, tax controversy services or other accounting or attest services as a separate engagement under a separate agreement. The terms, conditions, and limitations relating to that separate engagement, whether or not contained in that separate agreement, do not affect our respective obligations under these Terms or this Engagement Letter.

37. **Amendments, Waivers and Consents.** Neither these Terms nor the Engagement Letter may be amended except by our mutual written agreement. No waiver of any breach of these Terms or the Engagement Letter will be effective unless the waiver is in writing and signed by the party against whom the waiver will be enforced. No waiver of any one breach will be deemed a waiver of any other or subsequent breach.

38. **Survival of Provisions.** All provisions of these Terms will survive the termination or cancellation of the Engagement Letter, except that (a.) we will not have any obligation to provide Services after termination and (b.) except as provided in herein (including provisions relevant to documents/files, document production/testimony, and fixed fees, if any), you will not have any obligation to pay us for any Services that we perform after termination. If any term or provision in the Engagement Letter or these Terms is (or are) determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

39. **Entire Agreement; Interpretation.** These Terms and the Engagement Letter represent our entire agreement and understanding concerning the engagement described in the Engagement Letter, and they supersede all prior and contemporaneous agreements. All Terms and the Engagement Letter must be construed according to their fair meaning and not strictly for or against any party.