

An aerial photograph of a winding asphalt road that curves through a dense green forest. A small white car is visible on the road. A rocky stream flows through the forest in the upper left portion of the image. The road has white dashed lines for lane markings.

# **Baker Tilly Master Services Agreement**





Baker Tilly Advisory Group, LP  
205 N Michigan Ave  
Chicago, IL 60601  
tel +1 (312) 729 8000  
bakertilly.com

Kathleen Fischer, CPA  
City of Racine, WI  
730 Washington Avenue  
Racine, Wisconsin 53403  
United States

DELIVERED VIA E-MAIL to: Kathleen Fischer – Kathleen.Fischer@cityofracine.org

Dear Kathleen Fischer:

The following is a Master Services Agreement ("MSA") for services to be provided by Baker Tilly Advisory Group, LP ("Baker Tilly" or "Consultant") and City of Racine, WI ("Client" or "the Company").

This MSA outlines the terms and conditions for the services we provide to the Client in the future. Post execution of this MSA, Baker Tilly service(s) for the Client will be documented and issued as a separate Statement of Work ("SOW") referencing this MSA. Each additional SOW, or addendum to this MSA, will identify the requested project scope and approach.

Any addendums made will not change the terms and conditions included in this MSA. Instead, the addendums will only provide additional details about the specific project scope, budget, timing, and deliverables of the services requested by the Client. We will not proceed with any further work on future phases unless directed to do so to provide you with complete project engagement control.

Any additional proposed scope(s) of work will be summarized in a separate Statement of Work, following the template format included as Attachment A, which consists of a detailed project description and an estimate of the time and cost associated with specific work efforts.

The professional fees provided to Client for work are based on the rate schedules established within each scope.

All information supplied in writing or orally by Client to Baker Tilly is hereby designated as "Confidential Information".

The engagement does not include an audit, review, or compilation in accordance with Generally Accepted Auditing Standards ("GAAS") of any financial statements. It is understood and agreed that while the Services may include advice and recommendations, all decisions in connection with the use thereof shall be the responsibility of Client and made by the Client. The Services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation under federal, state, or other type of law or regulation.

This MSA comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals, oral or written, and all other communications between the parties related to this work. If any provision of this letter is determined to be unenforceable, all other provisions shall remain in force.



We appreciate your willingness to engage Baker Tilly for this engagement and look forward to providing professional services that are responsive to your objectives. If you have any questions as to the information in this engagement letter or as to our firm in general, please do not hesitate to contact me.

Please sign below and return one copy to us for our files if this is in agreement with your understanding.

Sincerely,

Baker Tilly Advisory Group, LP

A handwritten signature in black ink, appearing to read "DL" or "Baldessari", written over a light blue horizontal line.

*Doug Baldessari*

**Baker Tilly Advisory Group, LP**

**City of Racine, WI**

**By:**

A handwritten signature in black ink, appearing to read "DL" or "Baldessari", written over a light blue horizontal line.

**Name:** Douglas L. Baldessari

**Title:** Principal

**Date:** January 20, 2025

**By:**

**Name:**

**Title:**

**Date:**

# Master Services Agreement

This Master Services Agreement (“MSA” or “Agreement”) effective January 20, 2025 governs the consulting services provided by Baker Tilly Advisory Group, LP (“Baker Tilly”, “we”, “us” or “our”) for City of Racine, WI (“Client”) (each a “Party,” and together the “Parties”) under various Statements of Work (“SOW”) issued hereunder (“Services”). This MSA, together with attachments and any SOW issued hereunder, constitute the entire understanding and agreement between Client and Baker Tilly with respect to the Services, and supersede and incorporate all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto. This Agreement’s provisions shall not be deemed modified or amended by the conduct of the Parties. If there is a conflict between this Agreement and the terms of any SOW, this Agreement shall govern.

Client acknowledges that Baker Tilly is also able to provide unrelated services, including without limitation, financial audit, wealth management, and tax services (collectively “Out of Scope Services”). Should Client wish to engage Baker Tilly in connection with any Out of Scope Services, the Parties shall negotiate appropriate terms and conditions for such Out of Scope Services in separate written engagement letter(s).

## **Section 1. Confidentiality**

With respect to this Agreement and any information supplied in connection with this Agreement and designated by the disclosing party (the Disclosing Party) as “Confidential Information” either by marking it as “confidential” prior to disclosure to the receiving party (the Recipient) or, if such information is disclosed orally or by inspection, then by indicating to the Recipient that the information is confidential at the time of disclosure and confirming in writing to the Recipient, the confidential nature of the information within ten (10) business days of such disclosure, the Recipient agrees to: (i) protect the Confidential Information in the same manner in which it protects its confidential information of like importance, but in no case using less than reasonable care; (ii) use the Confidential Information only to perform its obligations under this Agreement; and (iii) reproduce Confidential Information only as required to perform its obligations under this Agreement. This section shall not apply to information which is (A) publicly known, (B) already known to the recipient; (C) disclosed to a third party without restriction; (D) independently developed; or (E) disclosed pursuant to legal requirement or order, or as is required by regulations or professional standards governing the Services performed. Subject to the foregoing, Baker Tilly may disclose Client’s Confidential Information to its subcontractors and subsidiaries.

## **Section 2. Deliverables**

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

(b) The documentation for this engagement, including the workpapers, is not part of the Deliverables, is the property of Baker Tilly and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. Baker Tilly does not retain any original client records; so we will return such records to you at the completion of the Services rendered under this engagement. When such records are returned to you, it is the Company’s responsibility to retain and protect its accounting and other business records for future use, including potential review by any government or other regulatory agencies. By your signature below, you acknowledge and agree that, upon the expiration of the documentation retention

period, Baker Tilly shall be free to destroy our workpapers related to this engagement. If we are required by law, regulation or professional standards to make certain documentation available to Regulators, Client hereby authorizes us to do so.

### **Section 3. Acceptance**

Client shall accept Deliverables which (i) substantially conform to the specifications in the Statement of Work or (ii) where applicable, successfully complete the mutually agreed to acceptance test plan described in the Statement of Work. Client will promptly give Baker Tilly written notification of any nonconformance of the Deliverables with such requirements (Nonconformance) within thirty (30) days following delivery of such Deliverables, and Baker Tilly shall have a reasonable period of time, based on the severity and complexity of the Nonconformance, to correct the Nonconformance so that the Deliverables substantially conform to the specifications. If Client uses the Deliverable before acceptance, fails to promptly notify Baker Tilly of any Nonconformance within such 30-day period, or delays the beginning of acceptance testing more than five (5) business days past the agreed upon date for the start of such acceptance testing as specified or otherwise determined under the Statement of Work, then the Deliverable shall be deemed irrevocably accepted by the Client.

### **Section 4. Payment Terms**

The rates and billing structure for the Services will be set forth in each SOW. Baker Tilly will submit invoices per the applicable billing structure for each SOW, due 30 days from receipt. To the extent applicable, the invoices will show our expense charges for such items as travel, communications, purchase of data, and other similar costs. Baker Tilly, without liability, may withhold delivery of services/Deliverables/work product and may suspend performance of its obligations pending payment of all charges that are due and unpaid more than forty-five (45) days after receipt. Client will be responsible for all costs of collection (including attorneys' fees) as may be allowed by law.

### **Section 5. Standards of Performance**

Baker Tilly shall perform its Services in conformity with the terms expressly set forth in this Agreement. Accordingly, our Services shall be evaluated on our substantial conformance with such terms and standards. Any claim of nonconformance (and applicability of such standards) must be clearly and convincingly shown. Client acknowledges that the Services will involve the participation and cooperation of management and others of Client. Unless required by professional standards or Client and Baker Tilly otherwise agree in writing, Baker Tilly shall have no responsibility to update any of its work after its completion.

### **Section 6. Warranty**

(a) Each party represents and warrants to the other that it has full power and authority to enter into and perform this Agreement and any Statement of Work entered into pursuant hereto and the person signing this Agreement or such Statement of Work on behalf of each party hereto has been properly authorized and empowered to enter into this Agreement.

(b) Client warrants that it has the legal right and authority, and will continue to have the legal right and authority during the term of this Agreement, to operate, configure, provide, place, install, upgrade, add, maintain and repair (and authorize Baker Tilly to do any of the foregoing to the extent the same are included in the Services) the hardware, software and data that comprises any of Client's information technology system upon which or related to which Baker Tilly provides Services under this Agreement.

(c) Baker Tilly warrants that any Services that it provides to Client under this Agreement and any Statement of Work will be performed in accordance with generally accepted industry standards of care and competence. Client's sole and exclusive remedy for a breach of Baker Tilly's warranty will be for Baker Tilly, in its sole discretion, to either: (i) use its reasonable commercial efforts to re-perform or correct the Services, or (ii) refund the fee Client paid for the Services that are in breach of Baker Tilly's warranty. Client must make a claim for breach of warranty in writing within thirty (30) days of the date that the Services that do not comply with Baker Tilly's warranty are performed. This warranty is voided in the event that Client makes alterations to the Services provided by Baker Tilly or to the environment in which the Services are used (including the physical, network and systems environments) that are not authorized in writing by Baker Tilly. If Client

does not notify Baker Tilly of a breach of Baker Tilly's warranty during that 30-day period, Client will be deemed to have irrevocably accepted the Services.

(d) Baker Tilly does not warrant any third-party product (each, a Product). All Products are provided to Client by Baker Tilly "AS IS." Baker Tilly will, to the extent it is allowed to by its vendors, pass through any warranties and indemnifications provided by the manufacturer of the Product. Client, recognizing that Baker Tilly is not the manufacturer of any Product, expressly waives any claim that Client may have against Baker Tilly based upon any product liability or infringement or alleged infringement of any patent, copyright, trade secret or other intellectual property right (each a Claim) with respect to any Product and also waives any right to indemnification from Baker Tilly against any such Claim made against Client by another. Client acknowledges that no employee of Baker Tilly or any other party is authorized to make any representation or warranty on behalf of Baker Tilly that is not in this Agreement.

(e) This section 5 is Baker Tilly's only warranty concerning the Services and any deliverable, and is made expressly in lieu of all other warranties and representations, express or implied, including any implied warranties of merchantability, ACCURACY, TITLE, noninfringement or fitness for a particular purpose, or otherwise.

## **Section 7. Limitation on Damages and Indemnification**

(a) The liability (including attorney's fees and all other costs) of Baker Tilly and its present or former partners, principals, agents or employees related to any claim for damages relating to the Services performed under this Agreement shall not exceed the fees paid to Baker Tilly for the portion of the work under the SOW to which the claim relates, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Baker Tilly relating to such Services. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays, interruptions or viruses arising out of or related to this Agreement even if the other party has been advised of the possibility of such damages.

(b) As Baker Tilly is performing the Services solely for the benefit of Client, Client will indemnify Baker Tilly, its subsidiaries and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorneys' fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the Services, Client's use of the Deliverables, or this Agreement.

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

(d) Because of the importance of the information that Client provides to Baker Tilly with respect to Baker Tilly's ability to perform the Services, Client hereby releases Baker Tilly and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney's fees, relating to the Services, that arise from or relate to any information, including representations by management, provided by Client, its personnel or agents, that is not complete, accurate or current, whether or not management knew or should have known that such information was not complete, accurate or current.

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

(f) The terms of this Section 6 shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of Client, Baker Tilly or others), but these Terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These Terms shall also continue to apply after any termination of this Agreement.

(g) Client accepts and acknowledges that any legal proceedings arising from or in conjunction with the Services provided under this Agreement must be commenced within twelve (12) months after the performance of the Services for which the action is brought, without consideration as to the time of discovery of any claim or any other statutes of limitations or repose.

## **Section 8. Personnel**

During the term of this Agreement, and for a period of six (6) months following the expiration or termination thereof, neither party will actively solicit the employment of the personnel of the other party involved directly with providing Services hereunder. Both parties acknowledge that the fee for hiring personnel from the other party, during the project term and within six months following completion, will be a fee equal to the hired person's annual salary at the time of the violation so as to reimburse the party for the costs of hiring and training a replacement.

## **Section 9. Data Privacy and Security**

(a) To the extent the Services require Baker Tilly to receive personal data or personal information from Client, Baker Tilly may process, and engage subcontractors to assist with processing, any personal data or personal information, as those terms are defined in applicable privacy laws. Baker Tilly's processing shall be in accordance with the requirements of the applicable privacy laws relevant to the processing in providing Services hereunder, including Services performed to meet the business purposes of the Client, such as Baker Tilly's tax, advisory, and other consulting services. Applicable privacy laws may include any local, state, federal or international laws, standards, guidelines, policies or regulations governing the collection, use, disclosure, sharing or other processing of personal data or personal information with which Baker Tilly or its Clients must comply. Such privacy laws may include (i) the EU General Data Protection Regulation 2016/679 (GDPR); (ii) the California Consumer Privacy Act of 2018 (CCPA); and/or (iii) other laws regulating marketing communications, requiring security breach notification, imposing minimum security requirements, requiring the secure disposal of records, and other similar requirements applicable to the processing of personal data or personal information. Baker Tilly is acting as a Service Provider/Data Processor, as those terms are defined respectively under the CCPA/GDPR, in relation to Client personal data and personal information. As a Service Provider/Data Processor processing personal data or personal information on behalf of Client, Baker Tilly shall, unless otherwise permitted by applicable privacy law, (a) follow Client instructions; (b) not sell personal data or personal information collected from the Client or share the personal data or personal information for purposes of targeted advertising; (c) process personal data or personal information solely for purposes related to the Client's engagement and not for Baker Tilly's own commercial purposes; and (d) cooperate with and provide reasonable assistance to Client to ensure compliance with applicable privacy laws. Client is responsible for notifying Baker Tilly of any applicable privacy laws the personal data or personal information provided to Baker Tilly is subject to, and Client represents and warrants it has all necessary authority (including any legally required consent from individuals) to transfer such information and authorize Baker Tilly to process such information in connection with the Services described herein. Client further understands Baker Tilly US, LLP and Baker Tilly Advisory Group, LP may co-process Client data as necessary to perform the Services, pursuant to the alternative practice structure in place between the two entities. Baker Tilly is responsible for notifying Client if Baker Tilly becomes aware that it can no longer comply with any applicable privacy law and, upon such notice, shall permit Client to take reasonable and appropriate steps to remediate personal data or personal information processing.

(b) Client agrees that Baker Tilly has the right to utilize Client data to improve internal processes and procedures and to generate aggregated/de-identified data from the data provided by Client to be used for Baker Tilly business purposes and with the outputs owned by Baker Tilly. For clarity, Baker Tilly will only disclose aggregated/de-identified data in a form that does not identify Client, Client employees, or any other individual or business entity and that is stripped of all persistent identifiers. Client is not responsible for Baker Tilly's use of aggregated/de-identified data.

(c) Baker Tilly has established information security related operational requirements that support the achievement of our information security commitments, relevant information security related laws and regulations, and other information security related system requirements. Such requirements are communicated in Baker Tilly's policies and procedures, system design documentation, and contracts with customers. Information security policies have been implemented that define our approach to how systems and data are protected. Client is responsible for providing timely written notification to Baker Tilly of any additions, changes or removals of access for Client personnel to Baker Tilly provided systems or applications. If Client becomes aware of any known or suspected information security or privacy related incidents or

breaches related to this Agreement, Client should timely notify Baker Tilly via email at [dataprotectionofficer@bakertilly.com](mailto:dataprotectionofficer@bakertilly.com).

## **Section 10. Termination**

(a) This Agreement may be terminated at any time by either party upon written notice to the other. However, upon termination of this Agreement, this Agreement will continue to remain in effect with respect to any Statement(s) of Work already issued at the time of such termination, until such Statements of Work are themselves either terminated or the performance thereunder is completed.

(b) This Agreement and all Statements of Work may be terminated by either party effective immediately and without notice, upon: (i) the dissolution, termination of existence, liquidation or insolvency of the other party, (ii) the appointment of a custodian or receiver for the other party, (iii) the institution by or against the other party of any proceeding under the United States Bankruptcy Code or any other foreign, federal or state bankruptcy, receivership, insolvency or other similar law affecting the rights of creditors generally, or (iv) the making by the other party of any assignment for the benefit of creditors.

(c) Client shall pay Baker Tilly for all Services rendered and expenses incurred as of the date of termination, and shall reimburse Baker Tilly for all reasonable costs associated with any termination. In the event that collection procedures are required, the Company agrees to be responsible for all expenses of collection including related attorneys' fees.

(d) Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, limitation of liability, confidentiality, ownership of work product, and survival of obligations, any accrued rights to payment and remedies for breach of this Agreement shall survive the expiration or termination of this Agreement or any Statement of Work.

## **Section 11. Dispute Resolution**

(a) Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Agreement as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation or termination of this Agreement shall be resolved as set forth in this Section using the following procedure: In the unlikely event that differences concerning the Services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Baker Tilly office providing the relevant Services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no prehearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from Judicate West, AAA, JAMS, the Center for Public Resources, or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation or enforceability of any of these procedures, shall be governed by the FAA and resolved by the arbitrators. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award nonmonetary or equitable relief and will not have the right to award punitive damages or statutory awards. Furthermore, in no event shall the arbitrator have power to make an award that would be inconsistent with the Engagement Letter or any amount that could not be made or imposed by a court deciding the matter in the same jurisdiction. The award of the arbitration shall be in writing and shall be accompanied by a well reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Discovery shall be permitted in arbitration only to the extent, if any, expressly authorized by the arbitrator(s) upon a showing of substantial need. Each party shall be responsible for their own



costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. Both parties agree and acknowledge that they are each giving up the right to have any dispute heard in a court of law before a judge and a jury, as well as any appeal. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. The arbitrator(s) shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, including the contractual limitations set forth in this Engagement Letter, and shall have no power to decide the dispute in any manner not consistent with such limitations period. The arbitrator(s) shall be empowered to interpret the applicable statutes of limitations.

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

## **Section 12. Force Majeure**

In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this Agreement due to any act of God, fire, casualty, flood, war, strike, lock out, failure of public utilities, injunction or any act, exercise, assertion or requirement of any governmental authority, epidemic, destruction of production facilities, insurrection, inability to obtain labor, materials, equipment, transportation or energy sufficient to meet needs, or any other cause beyond the reasonable control of the party invoking this provision (Force Majeure Event), and if such party shall have used reasonable efforts to avoid such occurrence and minimize its duration and has given prompt written notice to the other party, then the affected party's failure to perform shall be excused and the period of performance shall be deemed extended to reflect such delay as agreed upon by the parties.

## **Section 13. Taxes**

Baker Tilly's fees are exclusive of any federal, national, regional, state, provincial or local taxes, including any VAT or other withholdings, imposed on this transaction, the fees, or on Client's use of the Services or possession of the Deliverable (individually or collectively, the Taxes). All applicable Taxes shall be paid by Client without deduction from any fees owed by Client to Baker Tilly. In the event Client fails to pay any Taxes when due, Client shall defend, indemnify, and hold harmless Baker Tilly, its officers, agents, employees and consultants from and against any and all fines, penalties, damages, costs (including, but not limited to, claims, liabilities or losses arising from or related to such failure by Client) and will pay any and all damages, as well as all costs, including, but not limited to, mediation and arbitration fees and expenses as well as attorneys' fees, associated with Client's breach of this Section 12.

## **Section 14. Notices**

Any notice or communication required or permitted under this Agreement or any Statement of Work shall be in writing and shall be deemed received (i) on the date personally delivered; or (ii) the date of confirmed receipt if sent by Federal Express, DHL, UPS or any other reputable carrier service, to applicable party (sending it to the attention of the title of the person signing this Agreement) at the address specified on the signature page of this Agreement or such other address as either party may from time to time designate to the other using this procedure.

## **Section 15. Miscellaneous**

(a) This Agreement and any Statement(s) of Work constitute the entire agreement between Baker Tilly and Client with respect to the subject matter hereof and supersede all prior agreements, promises, understandings and negotiations, whether written or oral, regarding the subject matter hereof. No terms in any Client purchase order that are different from, or additional to, the terms of this Agreement will be accorded any legal effect and are specifically hereby objected to by Baker Tilly. This Agreement and any Statement of Work cannot be amended unless in writing and signed by duly

authorized representatives of each party. Headings in this Agreement are included for convenience only and are not to be used to construe or interpret this Agreement.

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

(c) Neither this Agreement, any Statement of Work, any claims nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by Client without the written consent of Baker Tilly. Baker Tilly may assign and transfer this Agreement and any Statement of Work to any successor that acquires all or substantially all of the business or assets of Baker Tilly by way of merger, consolidation, other business reorganization, or the sale of interests or assets.

(d) The validity, construction and enforcement of this Agreement shall be determined in accordance with the laws of the State of Illinois, without reference to its conflicts of laws principles, and any action (whether by arbitration or in court) arising under this Agreement shall be brought exclusively in the State of Illinois. Both parties consent to the personal jurisdiction of the state and federal courts located in Illinois.

(e) The parties hereto are independent contractors. Nothing herein shall be deemed to constitute either party as the representative, agent, partner or joint venture of the other. Baker Tilly shall have no authority to bind Client to any third-party agreement. Though the Services may include Baker Tilly's advice and recommendations, all decisions regarding the implementation of such advice or recommendations shall be the responsibility of, and made by, Client.

(f) The failure of either party at any time to enforce any of the provisions of this Agreement or a Statement of Work will in no way be construed as a waiver of such provisions and will not affect the right of party thereafter to enforce each and every provision thereof in accordance with its terms.

(g) Client acknowledges that: (i) Baker Tilly and Client may correspond or convey documentation via Internet e-mail unless Client expressly requests otherwise, (ii) neither party has control over the performance, reliability, availability or security of Internet e-mail, and (iii) Baker Tilly shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption or alteration of any Internet e-mail.

(h) Except to the extent expressly provided to the contrary, no third-party beneficiaries are intended under this Agreement.

(i) The Services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation under federal, state or other type of law or regulation.

(j) Baker Tilly US, LLP and Baker Tilly Advisory Group, LP and its subsidiary entities provide professional services through an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly US, LLP is a licensed independent CPA firm that provides attest services to clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and business advisory services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities are not licensed CPA firms. Baker Tilly Advisory Group, LP and its subsidiaries and Baker Tilly US, LLP are independent members of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP are not Baker Tilly International's agents and do not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Advisory Group, LP, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

## **Acknowledgement**

The Parties' authorized representatives have executed this Agreement as of the date(s) set forth below. The Parties represent that they have read and understood this Agreement and agree to be bound by it.

**Baker Tilly Advisory Group, LP**

**City of Racine, WI**

**By:**



**Name:** Douglas L. Baldessari

**Title:** Principal

**Date:** January 20, 2025

**By:**

**Name:**

**Title:**

**Date:**





## **Scope of Work #1 - Appendix A**

### **Phases 1- 4 IRA Base Energy Credit Compliance**

Kathleen Fischer, CPA  
City of Racine, WI  
730 Washington Avenue  
Racine, Wisconsin 53403  
United States

**Delivered via email** – Kathleen Fischer – Kathleen.Fischer@cityofracine.org

RE: IRA Renewable Tax Credit Consulting Services – Lincoln-King Community Center

Baker Tilly Advisory Group, LP will perform the following services: Support Related to the Pursuit of the Federal Renewable Energy Tax Credit as part of the Inflation Reduction Act 2022 ("IRA22", or the "Act"), the "Scope".

The following is pursuant to the Master Services Agreement effective January 20, 2025, for services to be provided by Baker Tilly Advisory Group, LP ("Baker Tilly" or "Consultant") and City of Racine, WI ("the Company" or "Client").

#### **Our Understanding:**

The City of Racine, WI (The "Client"), plans to build the Lincoln-King Community Center project located at 1016 Dr. Martin Luther King Dr., Racine WI 53404 which will include geothermal and solar energy properties each which are anticipated to be under 1 megawatt that will be approximately \$5 million in value (The "Project").

The Project is expected to begin construction March 2025 and be placed in service by September 2026. The Client is seeking the ITC for the project. The Project is using Pepper Construction as the prime contractor and expecting to have 5 - 7 additional subcontractor vendors as part of the project.

The Client is aware that it may be eligible for a Federal Tax Credit because of the Project qualifying under the IRA22. The Act's "energy security" subtitle includes tax provisions providing credits and incentives for the production and consumption of clean energy, carbon emissions reduction, electric vehicle purchases and, among other items, promoting domestic energy security.

Based upon initial discussions, the Client is interested in having Baker Tilly support its goal to preserve, enhance, and claim an Investment Tax Credit (ITC) or a Production Tax Credit (PTC) from its Project to the Client. The following outlines Baker Tilly's proposed approach to this engagement:

#### **Scope, Objectives and Approach:**

It is anticipated that this Project will be completed in phases from the initial pursuit of the IRA22 applicability through the construction of the Project. The scope of the Project includes four main phases

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to assist the Client with how to Determine, Preserve, Enhance and Claim the IRA 22 tax credit. Additional bonus criteria certifications, related to Prevailing Wage & Apprenticeship, Energy Community, Domestic Content, or tax-exempt direct pay tax filing, will be issued under separate engagement after Phase 1 as required for each Project as appendices B, C, D, & E (as applicable).

Baker Tilly's detailed approach/work plan for Appendix A can be summarized as follows:

### **Phase 1. Determining Project Eligibility for an IRA22 Tax Credit**

- a. Provide assistance with interpretation and application of the IRA22 guidance to the Project's set of facts and circumstances to the Project.
- b. Understand the Property Type versus IRS rules.
- c. Coordinate data request from Client.
- d. Analyze the proposed sources and uses of funds, existing Project budgets and financial model prepared by management, and other relevant documents to gain an understanding of the Project on a preliminary basis.
- e. Analyze the planned legal structure for ownership of the Project.
- f. Analyze Project documents that establish the eligible Project costs which are considered eligible for ITC or PTC (if applicable). This will include review of the Project's process design, associated capitalized costs, use of any grant proceeds, timeline regarding construction and placed in service activities, and actions taken to-date that may support compliance with the IRS Begun Construction and placed in service requirements.
- g. Estimate the size range of the tax credit for the Project.
- h. Confirm if project is subject to Prevailing Wage & Apprenticeship (PW&A) to obtain credit adder.
- i. Confirm if the Energy Community adder could apply to the Project site.
- j. Confirm if the Domestic Content adder could apply to the Project.
- k. Prepare an updated written summary which outlines our initial views regarding the Project's eligibility for the ITC or PTC, estimated ITC or PTC amounts, suggested steps to meet any Begun Construction and/or placed in service requirements under the IRA22 timeline requirements. This will include review of the Client's ability to retain and utilize the ITC or PTC tax benefits.

### **Phase 2. Preserving the Tax Credit – Pre-Construction Communication to Contractors and Vendors**

- a. Identify all key Contractors and Vendors within scope for the Project Type and the total Project budget.
  - b. Analyze Project plans with Client Project manager as it relates to impacts on credit amount and key action steps for preserving the tax credit with use of prevailing wage and apprenticeship.
  - c. Assist Client to communicate to its Contractors and Vendors the compliance requirements of IRA22 to obtain the Domestic Content and/or Prevailing Wage & Apprenticeship credit adders.
  - d. Review Property Type Sizing, as requested, to the extent it pertains to tax credit considerations.
  - e. Support the Client in assembling project labor agreements, preparing requests to Department of Labor for additional labor classifications, and communicating requests to contractors to set-up payroll data in LCP.
  - f. Set-up the Contractors in the Baker Tilly and LCP portals for PW&A compliance program for the Project instance.
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**Phase 3. Establishing The Eligible Energy Basis – Post Construction**

- a. Establish total cost basis of the Project and perform a cost segregation study to determine the Eligible Cost Basis of the Energy Property.
- b. Review Client's own expenditures, in addition to the Project vendors, for qualifying expenditures which could qualify as Energy Property.
- c. Upon construction completion, perform a site visit (as needed) to complete the cost segregation study, delineate key process areas with upstream production facility that can be part of Energy Property, and document the Project on an as-built basis.
- d. From cost segregation study, categorize the depreciation lives of assets included in the study according to MACRS rules. This includes both capitalized items as well as items that may be expensed for tax purposes.
- e. Document with vendors how the Project was placed in-service.
- f. Determine final tax credit eligible basis, subject to management review and agreement, for purposes of claiming the tax credit.
- g. Issue a schedule of values showing the buildup of Energy Property basis along with other asset classifications from the fixed asset schedule for the final Project costs.

**Phase 4. Claiming the Tax Credit - Project Workpaper File Generation**

- a. Document compliance with "begun construction" tests as required by the Internal Revenue Service (IRS) (if applicable).
- b. Document compliance with "placed in service" tests as required by the IRS.
- c. Document Project Type eligibility based upon IRS code and other IRS and Environmental Protection Agency (EPA) memoranda.
- d. Document timing Tax Credit can be claimed or transferred.
- e. Provide any additional information which would help support the Project's claiming a Tax Credit in the event of an IRS audit.
- f. Provide the necessary workpapers to the Client to support its claim or transfer of the Tax Credit and assist with the preparation of the prescribed tax form.

Example supporting workpapers outlined in Addendum 1.

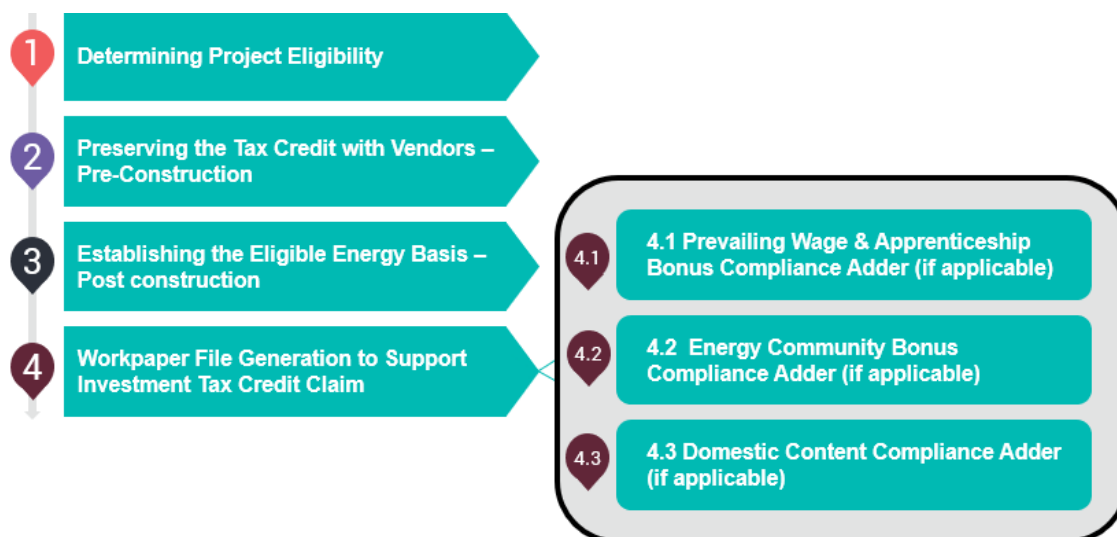
Additionally, Baker Tilly will assess the Project for eligible bonus credit criteria related to Prevailing Wage & Apprenticeship (5X multiplier), Energy Community and the Domestic Content, Exempt Tax Filing under separate appendices B, C, D, & E respectively (as applicable).

**Project Timing, Phases and Budget:**

The Project will commence upon execution of a formal engagement letter and applicable SOW, and subject to availability of requested information from the Client. Below are the work steps associated with the complete IRA compliance program:

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Pricing for IRA Compliance Management will be billed on a fixed total dollar amount for the Project. Signature of this agreement confirms consent with the fees for Appendix A only as follows:

Appendix	Phase	IRA Compliance Management	Fee Each
A	1	Project Eligibility Memo	\$25,000
	2	Vendor Management	\$7,500
	3	IRA Cost Segregation and Energy Property Basis	\$47,000
	4	Workpaper File Generation to Support Tax Credit Claim	\$12,500
B	4.1	PW&A Compliance Program and Certification*	\$0
C	4.2	IRA Energy Community	\$0
D	4.3	Domestic Content (Geothermal Only)	\$50,000
E	4.4	Tax-Exempt Compliance Form 990-T	\$4,500
<b>Total IRA Compliance Cost</b>			<b>\$146,500</b>

<b>Annual PW&amp;A Compliance During Recapture Period</b>	<b>\$0</b>
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\*Projects which must backflush prior wages will incur an additional admin charge to administer data entry.

A separate Appendix B for 4.1 PW&A requires signature for agreement with the work activities being performed.

A separate Appendix C for the 4.2 Energy Community bonus credit compliance requires signature for agreement with work activities being performed.

A separate Appendix D for the 4.3 Domestic Content bonus credit compliance requires signature for agreement with work activities being performed.

A separate Appendix E for the 4.4 Tax-Exempt Compliance Form 990-T requires signature for agreement with work activities being performed.

Billing for the collective Project Appendices, as signed together, will be issued in one combined bill in monthly installments from the Project start date through the expected placed in service (PIS) date. The fee schedule for this Project if all Appendices are signed is as follows:

Total IRA Program Cost	Cost (\$)
<b>Total Project Capital Cost</b>	<b>\$5,000,000</b>
Appendix A	\$92,000
Appendix B	\$0
Appendix C	\$0
Appendix D	\$50,000
Appendix E	\$4,500
<b>Total IRA Compliance Cost:</b>	<b>\$146,500</b>
Project start to PIS completion (months)	20
Billing amount per month	\$7,325
<b>Annual Compliance (Y1+) \$/year</b>	<b>\$0</b>

Any out-of-scope fees for non-IRA compliance, will be billed at Baker Tilly's standard billing rates based on actual time incurred according to the rate schedule set forth below:

Standard Hourly Rates			
Principals / Directors	\$420.00	To	\$750.00
Senior Managers / Managers	\$290.00	To	\$440.00
Consultants / Analysts / Senior Consultants	\$185.00	To	\$300.00
Support / Paraprofessionals / Interns	\$115.00	To	\$195.00

*\* Billing rates are subject to change periodically due to changing requirements and economic conditions. The fees billed will be the fees in place at the time services are provided. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.*

Travel time and out-of-pocket expenses are in addition to these amounts, will be itemized separately, and will always be billed at actual cost with no mark-up. Travel time is billed at half Baker Tilly's standard hourly rates.

### Billing Procedures

You will receive a monthly statement showing the installment fees and any travel costs incurred in the prior month which is payable no later than 30 days after the invoice date. The account balance is due and payable on receipt of the invoice.

### Nonattest Services

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

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

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

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.

- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

**Conflicts of Interest**

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

**Termination**

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

**Project Team**

This work will be led by a cross functional advisory and tax Baker Tilly team, with members from our Manufacturing, Energy & Infrastructure, Real Estate and State and Local Government teams as necessary to complete the work, based on the Property Type seeking the tax credit.

**Other Disclosures**

During the course of the Agreement, Baker Tilly may interact with other Project participants (service providers, investors, lenders, funding parties, utilities, etc.) that have pre-existing client relationships with Baker Tilly. By signing this Agreement, the Client acknowledges the potential conflicts of interest that may arise. In the event of any such conflicts of interest, Baker Tilly shall immediately notify the Client of such circumstance.

Baker Tilly works with many clients that are involved in energy project development across a wide geographic region. The Client acknowledges by signing below that Baker Tilly is not exclusive in its relationship with the Client and that Baker Tilly may provide similar services to these separate clients, provided that it complies with all confidentiality and other professional obligations to the Client.

Baker Tilly does not draft legal documents, ensuring that operating and funding agreements are consistent with the Client's intent and enforceable will be the responsibility of the Client's law firm.

**Engagement-Specific Terms and Conditions**

The following terms and conditions are in addition to, and not in lieu of, the terms and conditions included in the Agreement to which this SOW Appendix is attached. Should there be any conflict between the terms of the Agreement and the terms listed below, the terms below shall govern.

**1. Responsibilities of Client**

- a. To ensure an effective and efficient engagement, Client agrees to provide Baker Tilly with all information requested, in a timely manner, and to provide any reasonable assistance as may be required to properly perform the engagement. In performing services under this Agreement, Baker Tilly will rely upon Client personnel for the accuracy and completeness of its records and all other information supplied to us, without independent investigation or verification. Inaccuracy, incompleteness, or tardiness in the delivery of information to Baker Tilly, whether or not Client personnel knew or should have known that such information was not complete, accurate or current, could have a material effect on tax returns, our conclusions and the fee for services.
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- b. US Treasury Regulations require taxpayers to disclose any tax strategy or transaction that the IRS identifies as: 1) a Listed Transaction; 2) substantially similar to a Listed Transaction; or 3) any other Reportable Transaction. In addition, certain states have similar disclosure requirements. Noncompliance with these rules may result in significant penalties. Client agrees to inform Baker Tilly of participation in any such transactions.
- c. Client agrees to file with Client's tax returns the forms as prepared by Baker Tilly. Client agrees that Baker Tilly assumes no responsibility and has no liability for any forms altered by Client prior to filing with the taxing jurisdiction. Client is responsible for the timely filing of the forms Baker Tilly prepares and agrees to inform us in writing of any failure to timely file the forms with Client's related tax returns.
- d. Most tax returns require signatures, under penalty of perjury, by the taxpayer or an officer of the taxpayer affirming that the tax returns and the accounting schedules and statements are true, correct and complete to the best of his or her knowledge. Client is responsible for understanding and agreeing with the various amounts, computations and statements made in the tax returns and accepts responsibility for the results of the tax services rendered. Baker Tilly's services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, Client. Baker Tilly will not perform any management functions or make management decisions for Client in connection with this engagement.
- e. Client is required to maintain and retain adequate documentation to support the tax returns as filed as penalties can be imposed by taxing authorities for the failure to produce adequate documentation supporting the items included in a tax return. Baker Tilly has no responsibility or liability for Client's failure to maintain adequate documentation.
- f. Official IRS guidance for IRA22 has been issued as of the date of this SOW. Baker Tilly is performing the services consistent with current prevailing guidance and interpretation under IRA22 and will continue to monitor FAQs and subsequent guidance issued by the IRS. Client accepts and acknowledges that Baker Tilly makes no guarantees that the IRS will issue a tax credit and/or Client will receive or be able to utilize such tax credit.

## **2. Responsibilities of Baker Tilly**

- a. Baker Tilly's services under this Agreement are subject to and will be performed in accordance with Treasury Department Circular 230, the American Institute of Certified Public Accountants (AICPA) and other professional standards applicable to tax services. We disclaim all other warranties, either express or implied.
  - b. Baker Tilly will perform these services on the basis of the information you have provided and in consideration of the applicable tax laws, regulations and associated interpretations as of the date the services are provided. Tax laws and regulations and/or their interpretation are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their effective dates. Baker Tilly has no responsibility or liability for such changes occurring after the completion date of this engagement.
  - c. Client acknowledges and agrees that any advice, recommendations, information or work product provided to Client by Baker Tilly in connection with this Agreement is for the sole use of Client and may not be relied upon by any third party. Baker Tilly has no liability or responsibility to any third parties as a result of this Agreement.
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- d. Tax returns and other filings are subject to examination by taxing authorities. Baker Tilly will be available to assist Client in the event of an audit of any issue for which Baker Tilly has provided services under this Agreement. Fees for these additional services will be communicated in a separate SOW.
- e. The services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation, under federal, state or other type of law or regulation.
- f. Baker Tilly may utilize the services of independent contractors in providing services to Client. All such third parties are bound by the same confidentiality requirements as Baker Tilly and its employees. Client hereby consents to disclosure of confidential information necessary to the provision of the related services.
- g. Subject to the "Other Disclosures" section above and any other similar provisions regarding conflicts and professional responsibilities, nothing in this Agreement prevents Baker Tilly from providing services to other clients.

### **3. Beneficial Ownership Information Reporting**

- a. The Corporate Transparency Act ("CTA") imposes new reporting requirements on most small businesses, including those that may be reported on Schedule C of the Form 1040. All domestic and foreign entities formed or registered to do business in the United States are subject to filing requirements unless they meet one of the explicitly stated exceptions. Affected companies will be required to submit a Beneficial Ownership Information ("BOI") reporting form with the Financial Crimes Enforcement Network ("FinCEN"). The report requires companies to provide identifying information on beneficial owners and company applicants. As of Jan. 1, 2024, filings for newly formed entities are due within 30 days of formation; however, the initial filing deadline for existing companies is Jan. 1, 2025. Companies are also required to file updated BOI reports.
- b. Consultations and preparation of reports related to the BOI reporting requirements are services that are considered to involve the practice of law. As such Baker Tilly will not be responsible for advising you regarding the legal or regulatory aspects of your company's compliance with the CTA, nor will Baker Tilly be responsible for the preparation or submission of any BOI reports to FinCEN. If you have any questions regarding your compliance with the CTA, we encourage you to consult with qualified legal counsel.

### **4. Third Party Service Providers and Tax Return Information Disclosure Consent**

- a. Baker Tilly is committed to protecting the privacy and confidentiality of Client's tax return information. Baker Tilly is also committed to providing Client with comprehensive, integrated services that enhance and protect Client's value. To optimize Baker Tilly's service delivery and the results Baker Tilly is able to provide, Baker Tilly would like to obtain Client's consent to use and disclose Client's tax return information for various purposes of benefit to Client, as detailed below.
  - b. For any business taxpayer subject to this Agreement, the Section 7216 consent is contained in the body of the letter immediately below. Please read the consent below carefully before executing. Client is not required to execute this consent to engage Baker Tilly's tax return preparation services, and Baker Tilly is not conditioning Baker Tilly's provision of services on
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Client's consent. For the avoidance of doubt, by signing this SOW, Client is providing your consent to allow Baker Tilly to use the tax return information with respect to Client's business for the purposes identified below. Client may request to limit the tax return information disclosed or used, and to limit the consented uses and disclosures. Client may terminate consent at any time by providing written notice to Baker Tilly.

**I.R.C. § 7216 Client Consent to Disclosure and Use of Tax Return Information (Non-1040)**

I authorize Baker Tilly Advisory Group, LP ("Baker Tilly") to use and disclose all of Taxpayer's tax return information for the purposes identified below. I authorize Baker Tilly to use Taxpayer's tax return information for the following purposes:

- To identify and suggest useful information and services, including attest services, non-tax services such as audit services, financial services, investment advisory services, and consulting services, and additional tax services such as advanced federal and state income tax, indirect tax credits & incentives, international tax, and industry-specific services, and to determine whether such information and services would be valuable to you.
- To aggregate and anonymize tax return information to analyze, deliver, support, optimize, communicate, and market our services and to allow us to provide you and others with other helpful information.

I authorize Baker Tilly to disclose Taxpayer's tax return information to all Baker Tilly national and international affiliates (including officers, employees, or members thereof who may be located outside the United States; together, "Baker Tilly Entities") and contractors inside and outside the United States providing administrative, tax return preparation and ancillary services ("Outsource Providers") for the following purposes:

- To enable Baker Tilly Entities and Outsource Providers to provide administrative, tax return preparation and ancillary services for Baker Tilly on behalf of Taxpayer.
- To enable Baker Tilly Entities to identify and suggest useful information and services, including attest services, non-tax services such as audit services, financial services, investment advisory services, and consulting services, and additional tax services such as advanced federal and state income tax, indirect tax credits & incentives, international tax, and industry-specific services, and to determine whether such information and services would be valuable to you.

This consent will remain in effect until and unless revoked by written notice of Taxpayer.

## **5. Copies of Our Work Product**

You have the right to review and/or be supplied with copies of any and all tax planning or research memoranda and work papers prepared by our firm related to this engagement. The scope of this engagement is not intended to rise to the level at which we will issue a formal tax opinion to you. Therefore, all written tax advice provided under this engagement letter will contain the following legend:

*Tax information, if any, contained in this communication was not intended or written to be used by any person for the purpose of avoiding penalties, nor should such information be construed as an opinion upon which any person may rely.*

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## **6. Audit Defense**

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you at our standard hourly rates. Please note we cannot make, nor provide, any guarantee with respect to any proposed adjustments by a taxing authority. Any such audit defense work shall be covered under the terms of a separate engagement letter.

## **7. Additional Work Due to Tax Law Changes**

Congress and Treasury continue to revise the tax law, as well as issue additional guidance and rules relating to the law changes. Any such guidance or legislative changes have the potential to impact tax positions on your return and may require additional analysis and computations. Our fee associated with any additional time that we spend on such issues will be based on our standard hourly rates for the level of staff performing the services. Before we begin any incremental work, we will provide an estimate of the additional fees expected to be incurred.

## **8. Tax Return Preparer Standards, Reporting, Disclosure, Privacy, and Related Matters**

- a. Prior to engaging our services in preparation of tax returns, it is important you are aware of the standards that will be applied to preparing, signing and filing such returns. Internal Revenue Code (IRC) section 6694 and the related Treasury Regulations provide that a tax return preparer may sign a tax return only if there is substantial authority for all tax positions reflected in the return, or alternatively, there is disclosure of any position that has a reasonable basis but lacks the support of substantial authority. This standard corresponds with the taxpayer standard that relates to the avoidance of a penalty for a substantial understatement of tax. Positions claimed on a tax return that lack a reasonable basis could subject taxpayers to a substantial understatement of tax penalty, even if such positions are disclosed on their returns. Professionals cannot sign returns with positions that lack a reasonable basis.
  - b. With respect to any transaction deemed to be a tax shelter there is a higher minimum standard of “more-likely-than-not” which must be satisfied for any benefits to be claimed on a tax return. Disclosure of the position does not remove this minimum standard for tax shelter positions.
  - c. As a result of the existence of these standards, our professional standards and related due diligence may require us to evaluate all positions to be reflected on your federal tax returns to determine if such positions meet the substantial authority standard discussed above. As noted above, certain positions may be required to be disclosed to the federal, and in some cases, the state tax authorities.
  - d. It is not possible for us to know in advance whether any positions to be reflected on your return may require additional analysis. Therefore, we cannot estimate in advance the additional amount of fees which may be associated with any such effort if it becomes necessary. We will, however, advise you of any positions which require additional analysis and discuss the associated fees with you prior to undertaking the additional effort required to reach a conclusion in compliance with these standards.
  - e. The federal government requires U.S. persons which have any interest in, or signature authority over, a foreign bank, securities, or other financial account to report such interest on Form 114, Report of Foreign Bank and Financial Accounts (formerly Form TD F 90-22.1), if the aggregate value of such accounts exceeds \$10,000 at any time during the year. U.S. persons include U.S.
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citizens, U.S. residents and entities including, but not limited to corporations, partnerships or limited liability companies created or organized in the U.S. or under the laws of the U.S., and trusts and estates formed under the laws of the U.S. Please inform Baker Tilly if Client has any foreign bank accounts, activities, or investments, so that Baker Tilly can discuss how it can help Client comply with the law.

- f. Revised (IRC) section 7216 and the related Treasury Regulations prescribe a penalty for any tax return preparer that uses or discloses tax return information without securing the consent of the taxpayer prior to any such use or disclosure. Should Client request that any tax information be provided to a third party, Baker Tilly can provide the information directly to Client, and Client can provide the information to the third party, or Baker Tilly can provide the information directly to the third party. If Client requests that Baker Tilly provide the information directly to a third party, a specific and detailed written consent with Client's signature will be required to be furnished to Baker Tilly prior to the release of any tax return information. Baker Tilly will bill Client for the time necessary to draft the consent, obtain Client's signature and satisfy Client's request to provide tax information directly to a third party.
- g. The advice Baker Tilly renders may result in one or more positions that will be reflected on Client's federal tax returns. Taxpayers will not be subject to an underpayment of tax penalty if each position taken on the return has substantial authority. Positions that lack substantial authority but have a reasonable basis may be claimed on the tax return if such positions are disclosed to the IRS. Positions that lack a reasonable basis claimed on a tax return could subject taxpayers to a substantial understatement of tax penalty, even if such positions are disclosed on their returns. The higher more-likely-than-not standard for reportable transactions remains. Regardless of disclosure, any position or transaction deemed to be a reportable transaction must meet the more-likely-than-not confidence level in order to avoid penalties. Baker Tilly will inform Client of the level of confidence Baker Tilly may have regarding all such positions.

## **9. Prevailing Wage & Apprenticeship Bonus Compliance**

The following applies to the extent you engage Baker Tilly for Prevailing Wage & Apprenticeship Bonus Compliance service as further specified in Appendix B (Phase 4.1).

- a. You acknowledge that in order to provide the Prevailing Wage & Apprenticeship Bonus Compliance services to you, Baker Tilly may provide you access to certain online software for purposes of uploading data and documentation (the "PW&A Portal"). Such PW&A Portal shall be considered an Online Offering.
  - b. As a condition of accessing and using the PW&A Portal, in addition to any applicable Online Terms as such term is defined in the Agreement, you acknowledge and agree to the following:
    - i. You are solely responsible for compliance with all applicable laws related to the use of the PW&A Portal, and Baker Tilly shall have no liability for your input of data or use of the PW&A Portal. You agree that you (a) will confirm the accuracy of any bulk upload/API/data migration/auto-geo assignment integration into the PW&A Portal, and (b) further understand and agree that bulk uploads/API/data migration/auto-geo assignments are effective only as of the date of the upload(s)/migration(s). It is your responsibility to provide updated data to the PW&A Portal to the extent necessary. You accept that auto-geo assignments, based upon the coordinates in the KML supplied by you may have auto-correction applied to the file to close a boundary if there are any incomplete polygons. Furthermore, a third-party system is utilized to obtain geographical coordinates that are used to determine if a worker's address
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falls within the boundaries defined by the client provided KML-file. Neither Baker Tilly nor third party service providers guarantee accuracy of the third-party system. You agree to not directly send any personally identifiable information by email or otherwise, except through the PW&A Portal.

- ii. You retain sole responsibility for: (a) all data, including its content and use; (b) all information, instructions, and materials provided by you or on your behalf of in connection with the PW&A Portal; (c) your information technology infrastructure, including computers, software, databases, electronic systems (including database management systems), and networks, whether operated directly by you or through the use of third- party services; (d) the security and use of your access credentials; and (e) all access to and use of the PW&A Portal, including all results obtained from, and all conclusions, decisions, and actions based on, such access or use.

#### **10. Domestic Content Certification; Confidentiality, Disclosures, and Disclaimers**

The following applies to the extent you engage Baker Tilly for Domestic Content Compliance services as further specified in Appendix D (Phase 4.3).

- a. As an express condition to Baker Tilly providing the Domestic Content Compliance Services, you agree to the following:
  - i. Baker Tilly will not independently verify the information you provide.
  - ii. Baker Tilly is not responsible for or liable for incorrect, inaccurate, or incomplete information you provide, and shall be entitled to rely on such information without further examination.
  - iii. Baker Tilly does not and cannot guarantee acceptance and granting of such domestic content tax credit, and you acknowledge and accept the risk that taxation authorities and/or courts may find that your clients are not entitled to the bonus tax credit related to domestic content or may assess interest and penalties owed by your clients as a result of the loss of tax credit.
  - iv. You will indemnify, defend, and hold Baker Tilly harmless from and against any penalties, fines, losses, liabilities, or other damages incurred by Baker Tilly related to or arising from incorrect information you provide, including, but not limited to, penalties, fines, losses, liabilities, or other damages incurred by Baker Tilly or the Project Owner client as a result of such information.

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

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## Acknowledgement

The services and terms as set forth in this SOW Appendix are agreed to on behalf of the Client and Baker Tilly by their respective authorized representatives identified below:

**Baker Tilly Advisory Group, LP**

Signature:



Name: Douglas L. Baldessari

Title: Principal

Date: January 20, 2025

**City of Racine, WI**

Signature:

Name:

Title:

Date:

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## Addendum 1: Phase 4 Example Workpaper Exhibits: (as applicable)

- Exhibit A – Begun Construction Safe Harbor report.
- Exhibit B – Production and Consumption report
- Exhibit C – Energy Eligible Basis report
- Exhibit D – Tax Forms
  - Exhibit D.1 – Election statement
  - Exhibit D.2 – Tax Filing Forms
  - Exhibit D.3 – Pre-filing registration
  - Exhibit D.4 – Election to transfer credits.
  - Exhibit D.5 – Election for direct pay
- Exhibit E – Prevailing Wage & Apprenticeship Compliance and Documentation
- Exhibit F – Energy Community Compliance
- Exhibit G – Domestic Content Compliance and Documentation
- Exhibit H – IRS Project Credit Allocation letter (48C/Environmental Justice)
- Exhibit I – Credit Summary

	Type	%
Base Energy Credit	Energy Type	6%
PW&A	Y	30%
Domestic Content	N	0%
Energy Community	Y	10%
<b>Total Credit %</b>		<b>40%</b>

Project Cost	\$XX,000,000	From Exhibit C
Eligible Energy Property	\$ X,000,000	From Exhibit C
<b>Total Credit Value</b>	<b>\$X,X00,000</b>	



## SOW #1 - Appendix D

### 4.3 IRA Renewable Tax Credit

### Domestic Content Consulting Services

Baker Tilly Advisory Group, LP will perform the following services: Support Related to the Pursuit of the Federal Renewable Energy Tax Credit as part of the Inflation Reduction Act 2022 ("IRA22", the "Act") – Domestic Content Compliance Consulting.

The following is pursuant to the Master Services Agreement ("MSA") effective January 20, 2025 for services to be provided by Baker Tilly Advisory Group, LP ("Baker Tilly" or "Consultant") and City of Racine, WI ("the Company" or "Client").

#### Our Understanding:

The City of Racine, WI (The "Client"), plans to build the Lincoln-King Community Center project located at 1016 Dr. Martin Luther King Dr., Racine WI 53404 which will include geothermal and solar energy properties that will be approximately \$5 million in value (The "Project").

The Project is expected to begin construction March 2025 and be placed in service by September 2026. The Client is seeking the ITC for the geothermal project. The Project is using Pepper Construction as the prime contractor and expecting to have 5 - 7 additional subcontractor vendors as part of the project.

The Client is aware that it may be eligible for a Federal Tax Credit because of the Project utilizing IRA22. The Act's "energy security" subtitle includes tax provisions providing credits and incentives for the production and consumption of clean energy, carbon emissions reduction, electric vehicle purchases and, among other items, promoting domestic energy security.

Based upon initial discussions, the Client is interested in having Baker Tilly support its goal to preserve, enhance, and claim the Domestic Content bonus as defined within IRA22 from its Project to the Client.

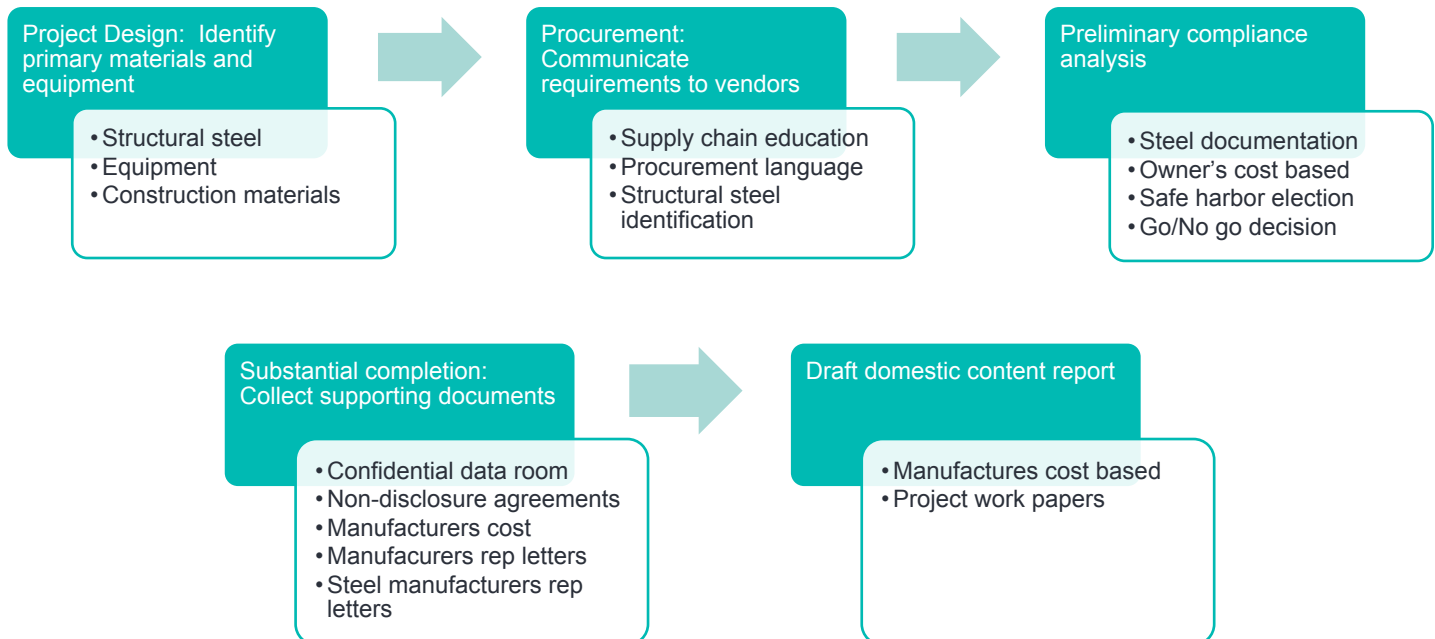
#### Summary of Services

For the designated Project, Baker Tilly will perform an analysis of the supply chain, procurement and equipment country of origin documentation, manufactures cost and Project costs for the purposes of reporting the Project's Domestic Content compliance status.

Project Summary	
Project name	Lincoln-King Community Center
Project type	Geothermal
Project capital expenditure	\$2,720,000
Current status	Preconstruction
Estimated number of primary equipment manufacturers	5
Manufacturers requiring product certification	None

Advisory scope	IRA22 domestic content guidance
Compliance scope	IRA22 domestic content compliance monitoring and compliance report compilation

## Scope, Objectives and Approach



## IRA22 Planning & Guidance

Baker Tilly will assist the Client's project team with developing domestic content requirements that may be integrated into their procurement procedures and documents.

- Interpretation of IRA22 domestic content guidance:
  - Title 49 CFR Part 661
  - Part III – Administrative, Procedural, and Miscellaneous Notice 2023-38
- Domestic Content Bonus Credit Guidance under Sections 45, 45Y, 48 and 48E
- Procurement guidance with respect to
  - Answering contractor/supplier/manufacture questions
  - Procurement requirements
  - Procurement documentation

## Preliminary Domestic Content Assessment

Baker Tilly will assess the procurement plan and identify planned purchases that add or detract from achieving domestic content compliance. Additionally, we will identify suppliers that have agreed to provide required domestic content documentation as well as those that have declined.

- Request supplier estimates of domestic content
- Structural steel assessment
- Manufactured product assessment
- Preliminary domestic content report
  - List supply chain partners
  - List manufactured project content
  - List expected structural steel use
  - List estimated Client's cost of manufactured content
  - Compute preliminary manufactured domestic content compliance based on Project's estimated cost
  - Report structural steel domestic status
  - List of non-domestic planned purchases that detract from the domestic content ratio.

**Safe Harbor Election (Treasury Notice 2024-41)**

IRA22 provides an alternative manufacturer's costing methodology for Photovoltaic, Land-Based Wind and Battery Energy Storage System (BESS) projects. The Treasury has defined the allowable project components and assigned a cost factor for determining manufactured product cost. Baker Tilly will:

- Assess the project for eligibility
- Compute project domestic cost percentage
- Evaluate Safe Harbor Election as a viable option to comply with Adjusted Percentage Rule

**Confidential Data Room**

Baker Tilly will provide Client's supply chain partners with a secure and confidential data room to upload manufacturer's cost information.

**Domestic Content Report**

Baker Tilly will draft a domestic content compliance report that includes:

- Supply chain partners list
- Structural steel content list
- Manufactured project content list
- Total domestic manufactured cost
- Total project manufactured cost
- Domestic content compliance ratio
- Supplier domestic content supporting documentation.

**Domestic Content Statutory Elective Payment Phaseouts and Exceptions (Treasury Notice 2024-9)**

Qualifying facilities eligible for direct pay are subject to elective payment reductions if the project fails to achieve the adjusted percentage rule. The Treasury has provided for two Domestic Content Exceptions:

1. Increased cost exception: The cost of domestic steel, iron, or manufactured products increase the overall project cost by more than 25%
2. Non-Availability exception: Relevant steel, iron or manufactured products are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality

**Domestic Content Exceptions Report**

Baker Tilly will draft a domestic content exceptions report that includes:

- Supply chain partners list
- Structural steel content list
- Manufactured project content list
- Preliminary domestic content compliance ratio
- Increased cost exception assessment (if applicable)
- Non-Availability exception assessment (if applicable)
- Supporting documentation and workpapers

**Domestic Manufacturer Product Costing**

In the event the Client wants an independent review of the manufacturer's certifications to Baker Tilly, or manufacturer cannot provide, we can perform a validation exercise that will walk through the calculation process with the manufacturer and identify the serial numbers purchased and used by the Client's Project to provide certainty beyond the manufacturer's assertions regarding the status of the Domestic Content bonus credit.

We would provide this service by working directly with Manufacturer to validate assumptions used in certifying domestic content and gathering the backup data to support assertions made for the product specific to this project. Our standard procedures for this review include the following steps:

- Attribute assessment of products in scope.
-

- Documentation review: Product specifications, engineering drawings, bill of materials.
- Identification of data for country of origin.
- Production process(es) assessment.
  - Review manufacturing process in accordance with the definition outlined by the IRA22.
  - Review onsite manufacturing process flow at the in-scope production facility(ies).
  - Review functionality, nature and capability/capacity of manufactured component(s) as applicable.
  - Review production data alignment with manufacturer's product acceptance criteria.
- Manufacturing cost assessment.
  - Direct cost allocation methodology review, inclusive of direct material costs and direct labor costs
  - For direct material costs, included is a review of the cost for materials which make up an integral part of the finished product and cost for materials that are consumed in production.
  - For direct labor costs, included is a review of the cost for labor, encompassing both full-time and part-time employees (contract and independent contractors). Labor costs include but are not limited to the following: base compensation, hourly pay, overtime pay, vacation pay, holiday pay, sick leave pay, payroll taxes, payments to a supplemental unemployment plan. A review of employee benefits expenses will not be included.
  - Verification of costs for purchased components.
- Calculate current state Domestic Content percentage from extract analysis on products used in the Project

These procedures include a site visit to the manufacturing facility to verify the activities presented and Baker Tilly will document all the supporting information to hold on file to supply as support for an IRS audit, resulting in data protection for the manufacturer and high-quality support for the owner of the credit.

### Roles and Responsibilities

Roles and Responsibilities	
Decisions to pursue Domestic Content bonus and associated supplier costs	Client
Writing procurement and contracting terms and conditions	Client and Baker Tilly
Collaborating with supply chain partners and gaining agreement to provide required information	Client and Supply Chain
Supply chain partner decisions and manufactured product selection	Client
Collaborate with Client and their suppliers on acceptable alternative domestic content documentation if necessary	Baker Tilly
Provide project suppliers with domestic content data collection forms	Baker Tilly
Communicating with Client events or decisions that may impair realizing the domestic content bonus	Baker Tilly
Providing supply chain partners with affidavit templates	Baker Tilly
Providing supply chain partners with a secure data room	Baker Tilly
Final determination of adequacy of domestic content documentation	Baker Tilly

### Additional Disclaimers

Please note that Baker Tilly will, in good faith, rely on purchase orders, bills of materials, procurement information, manufacturer's costs and their representations furnished by the Client or third parties, without independent audit or verification. By providing this information to Baker Tilly, Client represents that all procurement, supply chain and finished manufacture's cost data they have provided for the credit computation is complete and accurate, and therefore does not require independent verification from Baker Tilly. Client adheres to all terms and disclaimers outlined in SOW Appendix A, Engagement-Specific Terms and Conditions Section 10.a.



**Engagement Fee**

<b>Domestic Content Consulting Services</b>	<b>Fee estimate</b>
Ad hoc consulting services.	Included in Appendix A Phase 2
Preliminary domestic content analysis five (5) manufacturers Go/No go milestone	\$7,500 per manufacturer \$37,500
Continuous domestic content monitoring One domestic content compliance report for the project	\$12,500
<b>Total</b> If more than five (5) manufacturers deliver finished manufactured product to the project, fees will be adjusted as follows: <ul style="list-style-type: none"> <li>Preliminary analysis: \$7,500 for each additional manufacturer</li> <li>Domestic content report: \$2,500 for each additional manufacturer</li> </ul>	<b>\$50,000</b>

<b>Tax Credit Investor and Insurance Underwriter Consulting</b>	<b>Fee estimate</b>
Meeting coordination, data collection and distribution	Time and materials
<b>Total</b>	<b>\$</b>

<b>Domestic Manufacturer Product Costing</b>	<b>Fee estimate</b>
Manufacturer domestic content compliance report	To be determined
<b>Total</b>	<b>\$</b>

<b>Domestic Content Exceptions Report</b>	<b>Fee estimate</b>
Preliminary domestic content analysis Go/No go milestone Domestic content compliance report	To be determined
<b>Total</b>	<b>\$</b>

## Acknowledgement

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client and Baker Tilly by their respective authorized representatives identified below:

**Baker Tilly Advisory Group, LP**

Signature:



Name: Douglas L. Baldessari

Title: Principal

Date: January 20, 2025

**City of Racine, WI**

Signature:

Name:

Title:

Date:

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## **SOW #1 - Appendix E**

### **4.4 Tax-Exempt Compliance Form 990-T**

### **Add-on to Appendix A & Master Services Agreement**

Kathleen Fischer, CPA  
City of Racine, WI  
730 Washington Avenue  
Racine, Wisconsin 53403  
United States

RE: Engagement Letter for Tax Compliance Services (Exempt Organization) – Lincoln-King Community Center

Dear Kathleen Fischer:

Thank you for allowing Baker Tilly Advisory Group, LP (“Baker Tilly”, “we”, “our”) to serve as your tax accountants and advisors.

This Appendix E and the Master Services Agreement (“MSA”) effective January 20, 2025 and Appendix A set forth the understanding of the nature and scope of the services to be performed and the fees we will charge for these services. In addition, this letter delineates the responsibilities of Baker Tilly and City of Racine, WI in connection with the services to be provided under this engagement.

#### **Summary of Services**

We will prepare and sign as preparer the federal Form 990-T for the tax year beginning January 1, 2026 through December 31, 2026. The Form 990-T is being filed to claim the direct pay tax credits under the Inflation Reduction Act (IRA).

The scope of our work does not include an analysis as to whether any of your activities constitute an unrelated trade or business. If you are engaging in any unrelated business income activities, it is your responsibility to notify us so we can determine whether these activities are required to be reported as well.

Our work in connection with preparing your return does not include any procedures designed to assure continued exempt status of your organization. Exempt organizations are at risk of losing exempt status if they engage in transactions that are considered private benefit or private inurement transactions. The client organization and its officers may be subject to certain penalties for transactions that result in an excess benefit transaction pursuant to the intermediate sanctions rules as provided in the Internal Revenue Code and regulations promulgated thereunder. Our work in connection with preparing your return does not include any procedures designed to assure that private benefit and private inurement transactions do not exist; and does not assure the prevention of intermediate sanctions.

In certain cases, Form 990-T is subject to public disclosure and therefore is open to review by the general public. You have the final responsibility for reviewing each item on your return which may be subject to public disclosure. If a special analysis of private benefit, private inurement or intermediate sanctions is requested by the Organization, such services will require a separate engagement letter specifically identifying the scope of such procedures.

Unless otherwise agreed to in writing, you will be responsible for preparing and filing all other tax or information returns required to be filed with the applicable authorities including, for example, city and county income or gross receipts filings, payroll tax filings, sales and use tax filings, information reporting filings, secretary of state annual corporate renewal forms, etc.

### **Additional Services**

During the time period covered by this Appendix E you may request that we provide services outside the original scope of this engagement. Any such "Additional Services" may be provided under the authority of the MSA and this Appendix E where the fee associated with the requested project or service is expected to be less than \$10,000, provided it is not a specifically "Out of Scope Service." Out of Scope Services and tax consulting services that require a separate engagement letter, regardless of the anticipated fee, include but are not limited to:

- Amended tax filings for any prior tax years, including the tax year for this engagement letter.
- Asset and investment sale consultations involving more than \$100,000 in proceeds.
- Consulting on current and future transactions, including structuring and due diligence.
- Consultations related to the formation and/or restructuring of business holdings.
- R&E credit consulting and/or computations
- State nexus studies
- Federal or state tax controversy assistance
- International tax
- Organizational tax issues

Any professional services outside the scope of this Appendix E as defined above must be mutually agreed to **and delineated in written or electronic communication.**

If you request that we provide personal financial planning services, such services are subject to *Additional Disclosures*, which are enclosed with this letter.

### **Your Assistance**

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You agree to bring to our attention any matters that may reasonably be expected to require further consideration to determine the proper tax treatment of such matters. You also agree to bring to our attention any changes in the information as originally provided to us as soon as such information becomes available.

You represent that the information you are supplying to us is accurate and complete to the best of your knowledge, and that any expenses for meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, vehicle use, etc. are supported by records as required by law. You should retain all documents, canceled checks and other data that support income and deductions reported on your returns. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you to clarify some of the information. To the extent information that you provide is incorrect, incomplete, or has other errors, we are not responsible for how those errors impact the correctness of the return. Our work in connection with the preparation of your income tax and/or information returns does not include any procedures designed to discover defalcations, irregularities or abusive tax shelter transactions, should any exist.

### **Timing**

We will complete the preparation of the tax return so it can be timely filed by May 15, 2027 or filed by the extended due date of the respective tax return. In the event unforeseen circumstances occur that impact our ability to meet the final completion date, we will contact you to discuss an acceptable revised

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completion date.

## Fees

Our fee for this engagement will be as follows:

Explanation of Work	Fee
Form 990-T including the direct pay election and first federal IRA tax credit form (Forms 3468, 8911, and 8936), as applicable	\$4,500
Additional federal Forms 3468, 8911 and 8936 as required for multiple projects and vehicle acquisitions	\$500/filing

For any Additional Services covered by this Appendix E, you will pay Baker Tilly a fee based on our standard hourly rates for the level of staff performing the services.

In addition to our professional fees summarized above, our invoices will include a 5% administrative fee for software, technology, and data security charge, plus travel and subsistence and other out-of-pocket expenses related to the engagement. Interim billings will be submitted on a monthly basis as work progresses and expenses are incurred. Our invoices are due and payable upon receipt.

In the event we believe an additional fee is required as the result of an unforeseen difficulty in completing the assignment, a change in the underlying facts or law or your failure to provide complete information and timely assistance, we will inform you promptly and agree on a revised fee with you at that time.

We look forward to working with you to complete this important project. If this engagement letter correctly describes the engagement, please sign one copy, and return it to us. Please retain a copy for your files. If you have any questions or comments regarding the terms of this engagement letter, please don't hesitate to contact me.

Sincerely,



Robert Moczulewski

Director

BAKER TILLY ADVISORY GROUP, LP

## Acknowledgement

The services and terms as set forth in this Appendix E, the MSA to which this is attached and the existing Appendix A, incorporated by reference, are agreed to by:

**Baker Tilly Advisory Group, LP**

Signature:

Name: Douglas L. Baldessari

Title: Principal

Date: January 20, 2025

**City of Racine, WI**

Signature:

Name:

Title:

Date: