

**KHA Accountants, PLLC**  
**Master Terms and Conditions**  
**December 1, 2024**

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This Master Terms and Conditions Agreement (“***Terms and Conditions***”) describes the standard terms and conditions applicable to all services provided by KHA Accountants, PLLC, its agents, employees, associates, managers, or subcontractors (collectively, “***KHA***”). The Engagement Letter and Schedule of Services attached thereto, which is expressly incorporated herein by reference, along with any Writing (as defined below) supplementing the Engagement Letter, comprise the entire agreement (“***Agreement***”) between KHA and the undersigned client (“***Client***”), who are each referred to as a “***Party***” and collectively referred to as the “***Parties***.” To the extent of any inconsistency between these Terms and Conditions and the Engagement Letter, the Engagement Letter shall control. The Parties agree that these Terms and Conditions shall govern the relationship of the Parties until such time as they are amended by KHA in its sole discretion. Client consents to electronic delivery of such amended Terms and Conditions, and upon continuing to use KHA’s services after delivery of such amended Terms and Conditions, consents to abide by them. **By signing in written or electronic form, the Parties expressly agree that the Terms and Conditions, as amended from time to time, will govern the Agreement in all respects.**

The Parties, intending to be legally bound, agree as follows:

## **I. Overview**

Under this agreement a “***Writing***” means written communication expressing a specific and discrete request for services to supplement the Engagement Letter, acknowledged and agreed, in KHA’s sole discretion, by a KHA representative and Client and in which Client agrees to pay applicable fees. The term “Writing” includes electronic mail, but does not include SMS, iMessage, or other written communication primarily delivered by phone or by phone app and does not include any form of electronic communication which is not designed to preserve an archival record such as an instant message or Slack.

Client acknowledges that KHA does not provide procedures to detect errors, fraud, or theft as a general matter, and no engagement with the firm can be relied upon to disclose such matters unless specifically stated in the Engagement Letter.

Client acknowledges that KHA has no obligation to file tax extensions for any type of tax return unless KHA has an executed Writing or Engagement Letter for the relevant tax year.

## **II. KHA Responsibilities**

### **1. Professional Standards**

Unless otherwise described in this Agreement, KHA will perform all services in accordance with the Statements on Standards for Tax Services (“***SSTS***”), Statement on Standards for Consulting Services (“***SSCS***”), the Code of Professional Conduct (“***CPC***”) issued by the American Institute of Certified Public Accountants (“***AICPA***”), and U.S. Treasury Department Circular 230 (“***Circular 230***”). KHA agrees to perform services with the same standard of care that a reasonable income tax preparer would exercise in this type of engagement.

### **2. Prior Year Review**

KHA agrees to review Client’s prior-year tax returns if necessary to effectuate the services contracted for by this Agreement. Client agrees that KHA’s review of such prior year’s tax returns will necessarily be limited to effectuating the contracted-for services and may not find all errors. KHA agrees to notify Client of any material errors found while undertaking such review. If Client wishes KHA to prepare amended tax returns and address any other matters arising from such error, such services must be agreed in a Writing.

### **3. Bookkeeping Assistance**

In the event that KHA deems it necessary, in KHA's sole discretion, to provide Client with bookkeeping assistance in order to accomplish the requested services, such services will be performed solely in accordance with the CPC. KHA reserves the right to apply additional charges to such services, and Client agrees to pay such additional charges if such services are required or requested.

At Client's request, KHA may post coded transactions to Client's general ledger and prepare a trial balance based on the adjusted general ledger for purposes of tax return preparation. KHA will propose adjusting or correcting journal entries to be reviewed and approved by Client. However, KHA will not audit or otherwise verify the data Client submits, although it may be necessary to ask Client for clarification of some of the information submitted by Client.

Unless specifically contracted in a separate Agreement, KHA will not prepare Client's financial statements, nor will KHA perform an audit, review, or compilation of Client's financial statements. KHA will not prepare or submit an accountant's report unless both Parties confirm the provision of this service in an agreed Writing.

KHA will not perform management functions or make management decisions on behalf of Client's company or companies. KHA may, in its sole discretion, provide advice and recommendations to assist Client's management in performing its functions and making decisions; provided, however, that KHA makes no representations or warranties as to any such advice, and Client hereby agrees to accept or reject any such advice at its sole discretion and at its own risk.

### **4. Tax Services**

This Agreement does not include tax planning or preparation services unless specifically expressed in the Engagement Letter, including its Schedule of Services, or any addenda, amendments, or supplements thereto. Notwithstanding the foregoing, while performing any of the requested services, if allowed by applicable standards of conduct, KHA may bring to Client's attention potential tax savings strategies for Client to consider as a possible means of reducing Client's taxes in subsequent tax years; provided, however, that KHA assumes no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains solely with the Client. In the event that Client wishes KHA to provide tax planning services, such services must be agreed in a Writing.

### **5. Tax Advice**

Any tax advice provided by KHA is based upon tax reference materials, facts, assumptions, and representations that are subject to change. Tax reference materials include but are not limited to the Internal Revenue Code ("**IRC**"), tax regulations, Revenue Rulings, Revenue Procedures, private letter rulings and court decisions. KHA assumes no responsibility to, following the conclusion of services, update any such advice to reflect subsequent legislative or administrative changes or future judicial interpretations. To the extent KHA provides written advice concerning federal tax matters, KHA agrees to abide by the guidance thereon contained in Circular 230.

### **6. Government Inquiries**

This Agreement does not include responding to inquiries by any governmental entity, agency, or taxing authority, and KHA assumes no responsibility to engage in such responses. In the event that Client is subject to examination or audit, including in relation to documents that KHA has prepared on Client's behalf, Client may request KHA's assistance in responding to such an inquiry, and KHA may, but shall not be required to, agree to provide such assistance. Such services must be agreed in a Writing.

## **7. Third-Party Verification Requests**

KHA assumes no responsibility to respond to any request from banks, mortgage brokers, or other third parties for verification of any information reported on any Client tax returns or other filings without an agreement in a Writing.

## **8. Arguable Positions**

KHA agrees to use its best professional judgment in attempting to resolve questions in Client's favor where a tax law is unclear, provided there is substantial support for doing so. If there are conflicting interpretations of the law, KHA may explain to Client the possible positions that may be taken on Client's filing. KHA agrees to follow the position requested by Client, provided it is consistent with KHA's understanding of the Internal Revenue Code ("IRC"), tax regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings and court cases. Client acknowledges, however, that if the IRS, FinCEN, state, or local tax authorities later contest the position taken, there may be additional tax, penalties, interest, and professional fees. KHA assumes no liabilities, and Client agrees to hereby release KHA from any liability for such additional tax, penalties, interest, and professional fees relating to taking an arguable or unclear position on Client's behalf.

## **9. Limitations on Oral and Email Communications**

KHA may discuss with Client the treatment of certain items or decisions tangential to the services requested by Client, and such discussion may take place in-person or via electronic mail. Client acknowledges that any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may be required and thereafter may affect KHA's initial analysis and conclusions.

Due to these limitations and the related risks, Client acknowledges that it may or may not be appropriate to proceed with any decision solely on the basis of any oral or email communication. Client accepts all responsibility, except to the extent caused by the gross negligence or willful misconduct of KHA, for any loss, cost or expense resulting from Client's decision (i) not to have KHA perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable that is the result of an agreed Writing. In the event that Client wishes KHA to provide additional services related to such oral or email communication, Client may seek to enter into a Writing with KHA.

## **10. Federally Authorized Practitioner Privilege**

Internal Revenue Code §7525, Confidentiality Privileges Related to Taxpayer Communication, provides a limited confidentiality privilege covering certain tax advice embodied in taxpayer communications with federally authorized tax practitioners in certain limited situations.

Client acknowledges that this privilege is limited in several important respects. For example, this privilege does not apply to Client's records, which Client is required to retain in support of any tax returns or other filings. In addition, the privilege does not apply to state tax issues, state tax proceedings, private civil litigation proceedings, or criminal proceedings.

KHA agrees to cooperate with Client with respect to this privilege; however, Client acknowledges that asserting this privilege is Client's responsibility. Client is aware that inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Client agrees to contact KHA immediately if Client has any questions or requires further information about this CPA-client privilege.

## **11. Client Portals**

KHA agrees to provide security for Client data and to follow internal procedures to prevent unauthorized disclosure of such data. Such procedures may include the use of Client Portals (as defined below).

“*Client Portals*” are collaborative, virtual workspaces that allow real-time collaboration between KHA and Client in a protected, online environment. Client acknowledges and agrees that to use any such portal, Client will be required to execute a client portal agreement and agree to be bound by the terms, conditions, and limitations of such agreement. Client further acknowledges and agrees that KHA has no responsibility for the activities, maintenance, or security of any such portal and agrees to indemnify and hold KHA harmless with respect to any and all claims arising from or related to the operation of the portal. Client acknowledges that portals are used solely as a method of transferring data and documentation and are not intended to store information.

Client acknowledges the risk inherent in transmitting confidential information in a manner other than via a secure portal, and Client accepts responsibility for any and all unauthorized access to confidential information that occurs as a result of such transmission. If Client requests KHA to transmit confidential information in a manner other than via a secure portal, Client acknowledges and agrees that KHA is not responsible for any liability including, but not limited to, (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of such transmission, and (b) any damages arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

## **12. Records Retention and Ownership**

KHA agrees to return any original records and documents provided by Client by the conclusion of the services contemplated by this Agreement. Client agrees and acknowledges that KHA’s copies of Client’s records and documents are for KHA’s documentation purposes only and are not a substitute for Client’s own records and do not mitigate Client’s record retention obligations under any applicable laws or regulations. Client agrees and acknowledges that Client is solely responsible for maintaining complete and accurate books and records, which may include financial statements, schedules, tax returns and other deliverables provided to Client by KHA. Client agrees that if KHA provides deliverables or other records to Client via an information portal, Client must download such information within fourteen (14) days. Client acknowledges that professional standards restrict KHA from being the sole repository of Client’s original data, records, or information.

Client agrees and acknowledges that workpapers and other documents created by KHA are KHA’s sole property and will remain in KHA’s control. The Parties agree that any such information shall not be distributed without prior written consent of both parties. Client acknowledges that KHA’s workpapers will be maintained by KHA in accordance with KHA’s record retention policy and any applicable legal and regulatory requirements. A copy of KHA’s record retention policy is available upon request.

Client agrees and acknowledges that KHA destroys workpaper files after a period of seven (7) years. Client agrees and acknowledges that catastrophic events or physical deterioration may result in damage to or destruction of KHA’s records, causing the records to be unavailable before the expiration of the retention period as stated in KHA’s record retention policy.

## **13. Required Disclosures**

KHA agrees that unless otherwise required by law or regulation, all information provided by Client to KHA in connection with this Agreement will be maintained by KHA in strict confidentiality.

Client acknowledges that in the event KHA receives a summons or subpoena which KHA’s legal counsel determines requires KHA to produce documents related to this Agreement or testify thereon, provided that KHA is not prohibited from doing so by applicable laws or regulations, KHA agrees to promptly notify Client of such summons or subpoena as soon as is practicable. Client acknowledges that Client may, within the time permitted for KHA to

respond to any request, initiate such legal action as Client deems appropriate, at Client's sole expense, to attempt to limit discovery. Client agrees that if Client takes no such action within the time permitted for KHA to respond to such an inquiry, or if Client's action does not result in a judicial order protecting KHA from supplying requested information, KHA may construe Client's inaction or failure as consent to comply with the request.

If KHA is not a party to the proceeding in which the information is sought, Client agrees to reimburse KHA for professional time and expenses, as well as the fees and expenses of KHA's legal counsel, incurred in responding to such requests. This paragraph will in all respects survive termination of this Agreement.

#### **14. Conflicts of Interest**

If KHA, in its sole discretion, believes a conflict has arisen affecting KHA's ability to deliver services to Client in accordance with either the ethical standards of KHA or the ethical standards of the accounting profession, KHA may be required to suspend or terminate the services obtained by this Agreement without issuing any work product. In the event that such a conflict arises, KHA agrees to deliver prompt written notice of such conflict to Client and to describe therein the effect on any contracted-for services.

### **III. Client Responsibilities**

#### **1. Documentation**

Client agrees that Client is solely responsible for maintaining adequate documentation to substantiate the accuracy and completeness of Client's tax returns, Foreign Bank Account Reports ("FBARs"), and any other tax document or filing, as required under applicable laws and regulations. Client acknowledges that Client should retain all documents that provide evidence and support for reported income (including, for illustrative purposes, income derived from cryptocurrency, and mobile payment systems such as venmo, paypal, etc.), credits, and deductions on Client's returns, as required under applicable tax laws and regulations. Client is solely responsible for the adequacy of all information provided in such documents. Client warrants and represents that Client is in possession of such documentation and can produce it, if needed, to respond to any audit or inquiry by tax authorities or by FinCEN. **CLIENT AGREES TO HOLD HARMLESS KHA AND ITS PARTNERS, PRINCIPALS, SHAREHOLDERS, OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AGENTS OR ASSIGNS WITH RESPECT TO ANY ADDITIONAL TAX, PENALTIES, INTEREST, OR OTHER LOSSES OF ANY KIND WHATSOEVER IMPOSED ON CLIENT BY FINCEN OR BY ANY OTHER TAX AUTHORITIES RESULTING FROM THE INADEQUATE DOCUMENTATION, DISCLOSURES, OR SUBSTANTIATION OF ANY TAX POSITION, RETURN REPORTING OR PRESENTATION OF MATERIAL FACT DUE TO INADEQUATE, INCOMPLETE OR MISLEADING DOCUMENTATION PROVIDED BY CLIENT OR ANY OTHER PARTY.**

Client agrees to provide KHA with supporting data needed to prepare Client's tax returns. Client acknowledges that income from all sources, including those outside of the U.S., is required to be adequately disclosed and reported. Client warrants and represents that all information provided to KHA, whether by electronic means or by delivery of physical copies, is accurate and complete in all material respects. Client acknowledges and agrees that KHA will not verify the accuracy of any materials provided by client, and any due diligence KHA performs does not absolve Client of Client's duty to be forthright and accurate with KHA and does not create any liability on the part of KHA for such due diligence.

Client is solely responsible for informing KHA of all foreign financial assets and interests, including any financial interest in, or signature authority over, assets or financial accounts located in a foreign country. These include, but are not limited to, savings accounts, checking accounts, currency accounts, securities accounts, custodial accounts, certificates of deposit, time deposits, mutual funds, annuities, insurance policies with cash surrender values, retirement accounts, and pension accounts. Client acknowledges that any ownership interests Client directly or indirectly holds in an entity or company located in a foreign country such as a corporation, partnership, or trust must be adequately

disclosed and reported. Client agrees to disclose all items that may possibly fall within this broad definition and that it is Client's sole responsibility to seek information from KHA regarding the types of interests required to be reported.

**CLIENT AGREES THAT ANY DOCUMENTATION OR DATA PROVIDED TO KHA WHICH IS NOT PROVIDED PURSUANT TO AN ENGAGEMENT LETTER OR A WRITING DOES NOT CONSTITUTE AN ENGAGEMENT OF SERVICES BY KHA, AND KHA HAS NO RESPONSIBILITY FOR SUCH DOCUMENTS OR FOR DELIVERY OR NON-DELIVERY OF SERVICES RELATED TO SUCH MATERIALS.**

## **2. Designation of a Responsible Party**

Client expressly agrees, as a condition of KHA performing the services described in this Agreement, to: (i) designate an individual who possesses suitable skill, knowledge, and experience (preferably within senior management if Client is a business entity) to oversee the services performed by KHA; (ii) evaluate the adequacy and results of the services performed; make all management decisions and perform all management functions; (iii) accept responsibility for the results of the services, including decisions regarding the implementation of any advice provided by KHA; and (iv) establish and maintain internal controls as well as monitor ongoing activities.

## **3. Tax Basis Schedules and K-1 Distributions**

Client agrees that Client is solely responsible for maintaining tax basis schedules for shareholders, partners, or members, as applicable. If Client wishes KHA to prepare such schedules, Client must request this service in a separate Writing. Client is also solely responsible for distributing copies of Schedule K-1 to each shareholder, partner or member, if applicable.

## **4. Salaries and Wages for S-Corporation Shareholders**

Client agrees that Client is solely responsible for determining the appropriate salary or wage to pay S-Corporation shareholders, partners, or members, if applicable. Client is aware that if the IRS determines that the S corporation made distributions in lieu of an appropriate shareholder salary or wage, the IRS may reclassify the payments. Client acknowledges that as a result of such reclassification, the shareholder and S corporation may be responsible for employment taxes on the reclassified amounts in addition to penalties and interest. **CLIENT AGREES TO HOLD KHA HARMLESS AND FULLY INDEMNIFY KHA WITH RESPECT TO ANY LIABILITY, INCLUDING BUT NOT LIMITED TO, ADDITIONAL TAX, PENALTIES, INTEREST AND PROFESSIONAL FEES, RESULTING FROM ANY IRS DETERMINATION IN REGARDS TO S CORPORATION SHAREHOLDER SALARIES AND WAGES.**

## **5. Listed Transactions, Reportable Transactions, Tax Shelters, and Positions based on Opinions of other Advisors**

Client represents to KHA that, unless disclosed to KHA, to the best of Client's knowledge, Client has not taken part in a listed transaction, a reportable transaction or a tax shelter. Client acknowledges that if Client has taken part in a listed transaction, a reportable transaction or a tax shelter, Client may be subject to additional penalties by the IRS and additional costs and requirements from KHA which will require a specific Engagement Letter or Writing and may include other requirements.

Client further acknowledges that KHA will only follow positions taken by other advisors based upon its own discretion, and the requirements for such positions will be set forth in the Engagement Letter. These requirements may include an opinion letter, and the fees and ramifications of such opinion letter shall be solely the responsibility of Client.

## **6. Estimated Tax Payments**

Client acknowledges that Client may be required to make estimated tax payments. Client acknowledges that KHA will calculate any such payments for subsequent year(s) based upon the information from the Client's current tax year (the

“safe harbor” rule). Client acknowledges and agrees that if Client wishes to update such estimated payments to more closely reflect Client’s actual income, that such service must be agreed to in a Writing. Client further agrees and acknowledges that making such a request is Client’s sole responsibility, and that KHA has not agreed and is not required to induce, solicit, or request that Client update such estimated tax payments.

## 7. State and Local Filing Obligations

Client agrees and acknowledges that unless specifically agreed to in and Engagement Letter or a Writing, KHA will not perform any services related to Client’s State and/or local tax obligations, if any. Client acknowledges that Client bears sole responsibility for any filing or reporting obligations involving taxes promulgated, imposed, or assessed under the authority of any state or local jurisdiction.

# IV. Mutual Responsibilities

## 1. Independent Contractors

When providing services to your company, we will be functioning as an independent contractor and in no event will we or any of our employees be an officer of your company, nor will our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.

Our obligations under this agreement are solely obligations of KHA Accountants, PLLC, and no partner, principal, employee or agent of KHA Accountants, PLLC shall be subjected to any personal liability whatsoever to you or any person or entity.

Client acknowledges that services are provided on a commercially reasonable basis and as such **NEITHER PARTY, NOR EITHER PARTY’S RESPECTIVE PERSONNEL, WILL BE RESPONSIBLE OR LIABLE TO THE OTHER FOR ANY LOSSES OR DAMAGES, INCLUDING BUT NOT LIMITED TO INTERRUPTION OR LOSS OF BUSINESS, OR ANY LOST PROFITS, REVENUE OR DATA, ARISING FROM OR RELATING TO DELAYS IN THE PERFORMANCE, OR THE NONPERFORMANCE, OF THE SERVICES DESCRIBED HEREIN DUE TO (1) THE COVID-19 PANDEMIC AND/OR THE RESULTS THEREOF OR (2) ANY OTHER REASON.**

## 2. Fees and Interest

KHA’s invoices for fees, costs and expenses shall be due and payable upon receipt. Interest shall accrue thirty days after the date of the invoice at the lesser of the rate of 1.5% per month or the maximum amount allowable by law. Client agrees to reimburse KHA for incidental costs and expenses, including but not limited to copying, shipping, mailing, document filing fees, and governmental fees. Copies of all receipts for expenses greater than \$50 will be provided upon request. Client further agrees to reimburse KHA for reasonable travel and out-of-pocket expenses incurred while performing services for Client under this Agreement, including, but not limited to, (pre-approved) economy class airfare, accommodations, meals, mileage reimbursement at KHA’s standard rate for use of a personal car, rental cars, courier expenses, telephone, and fax.

## 3. No Duty to Mitigate

In the event of termination of our services, KHA shall have no obligation to mitigate fees or expenses chargeable to you. You acknowledge and agree that the full amount of any outstanding balance shall remain due and payable to the firm without any requirement that the firm reduce or offset such amounts by seeking alternative engagements or reducing its operational costs.

## 4. Payment of Retainer

Certain matters, particularly those involving a high demand of KHA’s resources, may require a retainer amount. Such retainer is required to secure KHA’s availability for such matter. Such retainer amount shall be stated in the

Engagement letter or a Writing. This retainer will be credited against KHA's fees, costs and expenses as previously described. If Client terminates its relationship with KHA prior to the completion of the matter for which a retainer is charged, Client agrees that, in addition to fees and expenses accrued as of the termination date, one-half of such retainer was earned on receipt by KHA for KHA's reasonable administrative and professional services provided and KHA's foregone opportunities as a result of business KHA did not take in reliance on the commitment of Client.

## **5. Impact of the Corporate Transparency Act and Client Responsibility**

The Corporate Transparency Act was signed into law in the United States on January 1, 2021, as part of the National Defense Authorization Act for Fiscal Year 2021, and compliance is required starting January 1, 2024. It aims to prevent misuse of corporations and limited liability companies for illicit purposes such as money laundering, financing of terrorism, tax fraud, and other criminal activities, by requiring these entities to report their beneficial owners to the Financial Crimes Enforcement Network (FinCEN). This law has very broad application, steep penalties, and requires compliance from many small business owners. Evaluation and compliance with this law is a legal issue. KHA expressly disclaims any responsibility for the Client's compliance with the Corporate Transparency Act. It is the Client's sole responsibility to understand and fulfill all obligations under the Corporate Transparency Act. KHA does not assume any responsibility to investigate or confirm the applicability or fulfillment of any reporting obligations the Client may have under the Corporate Transparency Act. Any suggestions, advice, or recommendations provided by KHA regarding the Client's reporting obligations under the Corporate Transparency Act are for advisory purposes only and explicitly not for compliance purposes. These suggestions, advice, or recommendations may not be relied upon as legal advice or as a means for ensuring compliance with the Corporate Transparency Act. The Client acknowledges and agrees that it is solely responsible for seeking independent legal counsel or other professional advice to ensure compliance with the Corporate Transparency Act. KHA shall not be liable for any penalties, fines, legal actions, or any other consequences that may arise due to the Client's failure to comply with the Corporate Transparency Act.

## **6. Assignment**

All parties acknowledge and agree that the terms and conditions of this Agreement shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

## **7. Agreement to Mediate, Fees subject to Arbitration**

If a dispute arises out of or relates to the Agreement, including the breach thereof, in any manner, and if the dispute cannot be settled through negotiation, the Parties agree first to try to settle the dispute by mediation administered under Chapter 154 of the Texas Civil Practices and Remedies Code before resorting to arbitration, litigation, or any other dispute resolution procedure. The mediator will be selected by mutual agreement of the parties; provided, however, that if the parties cannot agree on a mediator or the procedures for mediation, such matter shall be referred to the American Arbitration Association ("AAA") for mediation under the AAA Accounting and Related Services Arbitration Rules and Mediation Procedures. The mediation will be conducted in Denton County, Texas.

The mediation will be treated as a settlement discussion and, therefore, all conversations during the mediation will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by the Parties. Any costs for legal representation shall be borne by the hiring party.

If the parties do not settle at mediation, any dispute under this agreement related to the fees of KHA shall be the subject of binding arbitration administered under the arbitration laws of the state of Texas as follows: (1) in the case of a controversy in the amount of less than ten thousand dollars, a single arbitrator who shall be an attorney in good standing in the State Bar of Texas who has practiced not less than ten years in the area of business law and who has no prior professional relationship with any party and (2) in the case of controversy in excess of \$10,000.00 an arbitration panel consisting of two (2) accountants who have practiced for not less than ten years in Dallas County, Collin County, Tarrant County or Denton County and who have no prior professional relationship with any party



and one (1) attorney who in good standing with the State Bar of Texas who has practiced not less than ten years in the area of business law and who has not prior professional relationship with any party. Such arbitration shall be conducted in accordance with the Texas Arbitration Act except as superseded by the Federal Arbitration Act. In granting relief to either party, the arbitrators shall not compel KHA to complete any engagement, including, for the avoidance of doubt, issue a specific report, opinion or to prepare a tax return. The arbitration award shall be final, binding on all parties and non-appealable, and may be entered in a court of competent jurisdiction pursuant to the arbitration laws of the state of Texas.

Any dispute under the Agreement which is unrelated to fees shall have exclusive venue in the state and federal courts for Denton County, Texas.

**KHA'S LIABILITY FOR ALL CLAIMS, DAMAGES, AND COSTS ARISING FROM THIS ENGAGEMENT IS LIMITED TO ONE (1) TIMES THE TOTAL AMOUNT OF FEES PAID BY CLIENT TO KHA FOR SERVICES RENDERED UNDER THIS AGREEMENT. EACH PARTY SPECIFICALLY WAIVES ANY RIGHT TO CLAIMS FOR ATTORNEYS' FEES UNDER THIS AGREEMENT, WHETHER UNDER SECTION 38.001 OF THE TEXAS CIVIL PRACTICES AND REMEDIES CODE OR OTHERWISE.**

**NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, KHA SHALL NOT BE LIABLE FOR ANY LOST PROFITS, INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY NATURE.**

There are no intended third party beneficiaries to the Agreement unless specifically agreed by KHA in the Engagement Letter, consequently, to the fullest extent allowed by law Client agrees to indemnify, defend, and hold harmless KHA and any of its partners, principals, shareholders, officers, directors, members, employees, agents or assigns with respect to any and all claims made by third parties arising from this engagement, regardless of the nature of the claim, and including the negligence of any party, excepting claims arising from the gross negligence or intentional acts of KHA.

## **8. Termination and Withdrawal**

Both Parties reserve the right to withdraw from the engagement and terminate this Agreement at any time and for any reason. In the event of such termination or withdrawal, Client understands and agrees that KHA will not complete any services additional to those that were already completed prior to such termination or withdrawal. In the event of such termination or withdrawal, Client agrees that KHA is not responsible for Client's failure to meet governmental and other deadlines, or for any liability, including but not limited to, penalties or interest that may be assessed against Client resulting from Client's failure to meet such deadlines.

If this Agreement is terminated before services are completed, Client agrees to compensate KHA for the services performed and expenses incurred through the effective date of termination.

## **9. Notice Regarding Generative Language Programs**

KHA may use generative artificial intelligence (AI) in facilitation of its services, with the purpose of enhancing quality, speed, and efficiency in service delivery. KHA is mindful of the security and privacy concerns around this software and has implemented processes using commercially reasonable efforts to ensure that the use of AI is mindful of each client's privacy and confidentiality, as well as checking for errors in the software's analysis. The client acknowledges there may be some privacy risk in the use of AI tools and will provide written notice to KHA if the client does not wish for AI to be used by KHA in providing services. The introduction of AI does not replace or diminish the role of our dedicated team of professionals and is instead being used to leverage their capability to support and enhance service delivery.

**10. Designation of Venue and Jurisdiction**

In the event of a dispute, the courts of the State of Texas shall have complete and exclusive jurisdiction over the entire dispute and over any matter related thereto, subject entirely to Paragraph 6 of this Section. The Parties agree that the law of the State of Texas shall govern all such disputes, and each Party waives any claim objecting to the jurisdiction of such courts and waives any claim objecting to the applicable law.

**11. Severability**

If any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Agreement.

**12. Entire Agreement**

The Engagement Letter, including the Schedule of Services, this Master Terms and Conditions Agreement, and any subsequent Writing encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this Agreement must be made in writing and signed by both parties, and any modification which is not a part of an Engagement Letter or a Writing shall be deemed void.

\_\_\_\_\_  
KHA Accountants, PLLC

By: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Client

By: \_\_\_\_\_

Date: \_\_\_\_\_