



CONFIDENTIAL

February 18, 2023

Joe Blacksher
Commissioner Precinct 1
Tyler County, Texas
205 North Charlton Street
Woodville, Texas 75979

Re: Appraisal of Property in Tyler County, Texas for Potential Sale Purposes

Dear Mr. Blacksher:

On behalf of Stout Risius Ross, LLC ("Stout"), I am pleased to propose the arrangement under which we will provide certain services to Tyler County, Texas ("Client"), in connection with the above-referenced matter. All references to you and your in this letter are meant to refer to Client.

Objectives and Scope

We understand the engagement objectives and scope to consist of the valuation of land and buildings located in Woodville, Texas. The subject property is part of a larger parcel (Parcel ID #52729), that is improved with an office building and sheds (Parcel ID #54069) owned by Veterans of Foreign Wars Post 2033 and currently leased to Tyler County. The improvements are on the west end of the main site, at the northeast corner of Veterans Way and S Beaver Street in Woodville, Texas.

This letter confirms our engagement to determine the Fair Market Value of the fee simple interest of the subject as of a current date. We will only be opining on the Fair Market Value of the improvements leased by the County and the underlying land, the size of which will be provided to us. We will value the subject as if unencumbered by any leases and available for purchase or lease to the Market. We understand our valuation analysis will be used by the Client for the purpose of a potential purchase of the property.

As part of the scope of this engagement, we will complete a personal inspection of the subject. Further, we will consider all valuation approaches and employ the approaches concluded to be most applicable and which result in the most reliable conclusions.

Method and Timing of Reporting

At the conclusion of our analysis, we will submit an Appraisal Report, meeting the requirements of the Uniform Standards of Professional Appraisal Practice, which will include a determination of the value of the real estate, a description of the methodologies used in arriving at our conclusion of value, and supporting schedules showing details of our calculations and analyses.

We anticipate providing you with our report within five weeks of signed engagement and requested data. This timeframe requires extensive cooperation from the Client and its representatives in all areas, including but not limited to the scheduling of the inspection and in providing information required to complete the valuation.

Fees

Our fees for the services described in this letter will be a fixed fee of \$6,000, plus expenses. This fee estimate includes the time required to issue the report and analysis and presumes we will be provided with all information required to perform the services. We may submit our invoices on a monthly or other periodic basis as our work progresses.

Any subsequent work, including but not limited to, consultations with your advisors, testimony or preparation for testimony, etc., will be billed at our standard hourly rates, subject to change October 1st each year.

Expenses

Direct expenses (including but not limited to transportation, lodging, meals, specialized research, etc.) will be billed on a pass-through basis.

Indirect expenses (including but not limited to costs for communications, supplies, general financial and industry databases, copying, and charges for administrative services, etc.) will be billed at a rate equal to 4.5% of the total professional fees.

Billing Arrangements

All payments required hereunder shall be paid by wire or ACH transfer, as instructed by Stout.

Your Responsibilities

To maximize the value of our work and to keep the project on schedule, we must be provided with information we request promptly. If you are or become aware of other relevant information necessary to the proper completion of this matter, you agree to provide us with this information. Additionally, you agree that we may rely on such information without further verification.

Specifically, you acknowledge that the successful delivery of our services, and the fees charged, are dependent on (i) your timely and effective completion of your responsibilities, (ii) the accuracy and completeness of the assumptions and information provided to us, and (iii) timely decisions and required approvals by you and/or your representatives.

Professional Terms

The attached Professional Terms apply to this engagement. Please execute and return a copy of this letter via Adobe Sign. Please note that the terms of this offer will expire 15 days from the date of the letter.

* * * * *

We appreciate the opportunity to be of service to you and look forward to working with you on this engagement.

Very truly yours,

STOUT

By: JSB
Joseph L. Torzewski, MAI
Managing Director

Attachments: Professional Terms

Acknowledged and Accepted:

TYLER COUNTY, TEXAS

Signed: [Signature]
Name: Milton Powers
Title: Tyler County Judge
Date: 3-13-23

STOUT PROFESSIONAL TERMS

1. Our Services We will provide the services as described in our engagement letter, as may be modified from time to time by mutual consent. Stout's verbal conclusions and work product may only be used by the parties to the engagement letter for the purposes expressly set forth therein, and are in no way intended for, nor may they be relied upon by or disclosed to, any other person or entity, or used for any other purpose, without our express, prior written consent.

2. Independent Contractor We are an independent contractor and not your employee, agent, joint venturer or partner, and will determine the method, details and means of performing our services. We assume full and sole responsibility for the payment of all compensation and expenses of our employees and for all of their state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable employee withholdings.

3. Fees, Expenses and Billing Our fees and expenses are set out in our engagement letter. Those fees do not include taxes. You will be responsible for and pay all applicable sales, use, excise, value added and other taxes associated with the provision or receipt of the services, excluding taxes on our income generally. Invoices are due upon presentation and will be considered past due 30 days after the invoice date. Amounts past due for more than 30 days will be subject to a late charge of 1.5% per month from the date of invoice. We reserve the right to defer rendering further services until payment is received on past due invoices, in which event we will not be responsible or liable for any resulting loss, damage or expense connected with such suspension. In the event Client disagrees with or questions any amount due under any invoice, Client agrees to communicate such disagreement to us in writing within 30 days of the invoice date specifying the question or reason for the disagreement. Any claim not made within this time period will be deemed waived. If any uncontested bill remains unpaid for 30 days after invoicing, we may, at our sole discretion and right, send the matter to an outside agent for collection. If we do, in addition to the invoice amount, late charges, and any other expenses, we shall be entitled to receive a collection/attorney fee equal to one-third of the outstanding bill. Any pre-judgment or post-judgment interest to which Stout may be entitled by law in the event that it must bring an action to recover unpaid bills will not be diminished by the 1.5% per month late charge referenced herein and will instead be claimed over and above any late charges due hereunder. You agree that we will have a lien on all files in our possession, and their contents, until we have received payment in full of all amounts due.

4. Confidentiality With respect to any information supplied in connection with this engagement and designated by any party as confidential, or which the other party(s) should reasonably believe is confidential based on its subject matter or the circumstances of its disclosure, the other party(s) agree to protect the confidential information in a reasonable and appropriate manner, to only disclose confidential information to those that need to know the information, and to use confidential information only to perform its obligations under this engagement and for no other purpose. This will not apply to information which is: (i) publicly known, (ii) already known to the recipient, (iii) disclosed by a third party without restriction, (iv) independently developed, or (v) disclosed pursuant to legal requirement or order. Following the completion of our engagement, but not before such time, we may mention your name(s) and/or use your logo(s) and provide a general description of the engagement in our printed or electronic materials, or in our marketing presentations to others.

We are not to be characterized as an "expert" for purposes of securities law and we are not to be referred to, either by name or inference, in any public (e.g., S-1) or nonpublic security filing or private placement. (Any such disclosure document is defined herein as a "Filing".) Moreover, we are not obligated to provide, nor will we provide, any consent to be named in any such Filing either during the performance of our services or after the conclusion of our engagement.

5. Use of Financial & Other Information In the course of our engagement, we will use financial and other information, including prospective financial information, obtained from you and/or your representatives, and other public and private sources. The scope of our work will not enable us to accept responsibility for the accuracy and completeness of such information, and it is understood that we will have no duty of independent investigation or verification of such information. While our work may involve analysis of various records, our engagement does not include an examination, audit, review, compilation, or other form of attestation in accordance with generally accepted auditing standards known as "GAAS", or standards under the Public Company Accounting Oversight Board known as "PCAOB". Accordingly, we will not express an opinion or any other form of assurance thereon. Additionally, our services should not be relied upon to detect errors, irregularities, fraud, or other illegal acts. Furthermore, we will take no responsibility for the achievability of any expected, forecasted, projected, or hypothetical results anticipated or assumed by you and/or your representatives, whether relied upon by us or not.



6. Our Work Product and Your License Upon full payment of all amounts due to us in connection with this engagement, all right, title and interest in our deliverables will become your sole and exclusive property, except as set forth below. We will retain sole and exclusive ownership of all right, title and interest in our work papers, proprietary information, processes, methodologies, know how, and software, including such information as existed prior to the delivery of our services and, to the extent such information is of general application, anything which we may discover, create or develop during our provision of services for you (collectively, "Stout Property"). To the extent our deliverables to you contain Stout Property, we grant you a non-exclusive, non-assignable, royalty-free license to use it in connection with the subject of the engagement and for no other or further use without our express, prior written consent.

7. Our Warranty We warrant that our services will be performed with reasonable care in a diligent and competent manner. Our sole obligation will be to correct any non-conformance with this warranty, provided that you give us written notice within 60 days after the services are performed or, if applicable, deliverables are delivered. The notice will specify and detail the non-conformance and, if you and we agree that a non-conformance exists, we will have a reasonable amount of time, based on its severity and complexity, to correct the non-conformance. No claim may be brought after the notice and cure period provided for herein has run. You acknowledge that you possess sufficient expertise to review Stout's performance of its services and any reports or opinions delivered by Stout, and that you will review any reports or opinions delivered by Stout prior to using Stout's reports or opinions to negotiate or approve any transaction.

We do not warrant and are not responsible for any third party products or services. Your sole and exclusive rights and remedies with respect to any third party products or services are against the third party vendor and not against us.

THIS WARRANTY IS OUR 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, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE.

8. Liability and Indemnification

(a) The Client, its successors and assigns, will to the fullest extent allowable by law, defend, indemnify, and hold harmless Stout, its affiliates, and its and their respective owners, employees, contractors, and agents (each an "Indemnified Party") from any and all obligations, charges, claims, losses, costs, fees, expenses, damages, and liabilities (including reasonable attorneys' fees and costs) (collectively, "Losses") relating to, or arising out of, or directly or indirectly in consequence of, as a result of our services or this engagement, regardless of the cause of the alleged injury or damage, except to the extent such Losses are finally determined by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of an Indemnified Party.

(b) Our total liability relating to this engagement will in no event exceed an amount equal to the fees we receive for the portion of the engagement giving rise to liability, and will not include any special, consequential, incidental or exemplary damages or loss (nor any lost profits, savings or business opportunity).

(c) To the extent allowed by law, any action against Stout in connection with this engagement must be brought within 12 months after the last date of services rendered or the cause of action arises, whichever is earlier. If applicable law does not allow for the shortening of the statute of limitations regarding actions referenced herein, the parties hereby agree that the statute of limitations for all such actions shall begin on the last date of services rendered or the date the cause of action arises, whichever is earlier. You agree that you will not, on behalf of yourself or any other person or entity, assert any tolling doctrine seeking to extend the time within which a claim can be asserted, under any theory recognized in law or equity under any state's law deemed to apply to the statute of limitations applicable to any such claim.

(d) For the avoidance of doubt, the obligations of Stout are solely corporate obligations. No director, officer, employee, agent, shareholder or controlling person of Stout shall be subject to any liability to any person, nor will any such claim be asserted by or on behalf of any other party to or beneficiary of this Agreement.

9. Response to Subpoena In the event we receive or are served with a subpoena, court, governmental, or other legal order, notice, or request for investigation or information (collectively, "Subpoena") that causes us to produce documents in our possession, provide testimony, cooperate with your legal counsel, or hire outside counsel, etc. in any way related to this engagement (regardless of whether such Subpoena is served during or subsequent to the completion of our work), we will invoice you at our standard hourly rates applicable at the time such services are rendered. We will also invoice you for our related out-of-pocket expenses, including, but not limited to, copying charges, courier fees, travel expenses

and reasonable attorney fees. Notwithstanding anything to the contrary in this Agreement, expenses incurred related to Stout's response to a Subpoena do not require your advance approval.

10. Non-Solicitation During the term of this engagement, and for a period of one year following its expiration or termination, you will not actively solicit, employ or otherwise engage any of our employees (including former employees) who were involved directly in the engagement.

11. Termination

(a) Any party may terminate our engagement at any time upon 10 days' written notice.

(b) Stout may suspend or terminate this engagement immediately and without notice in the event of non-payment of amounts due us.

(c) You will pay us for all services rendered, expenses incurred or commitments made by us to the effective date of termination, and will reimburse us for all reasonable costs associated with any termination.

12. Our Financial Interest / Compensation / Waiver of Conflicts None of our employees who will work on this engagement have any known financial interest in the outcome of our analysis, and our compensation is neither based upon nor contingent upon the conclusions we reach. We do not warrant or predict results or final developments in this matter.

We have performed an internal search for potential conflicts based on the names of the parties provided by you. We have not found any situations which, in our view, constitute actual conflicts of interest and which would impair our ability to objectively provide assistance in the matter. We take no responsibility for monitoring for possible conflicts that could arise during the course of this engagement, though we will promptly inform you should any come to our attention. We reserve the right to terminate this engagement at any time if conflicts of interest arise or become known to us that, in our judgment, would impair our ability to perform services objectively. Stout or its employees may have worked with or may currently or in the future work with one or more other clients in unrelated matters involving or concerning you or your representatives or affiliates. Your engagement of Stout is expressly conditioned on your agreement to waive all such conflicts of interest, and to consent to Stout's prior, current and future work with such other clients in any such matters without the need for any further notice or consent from you, even though your interests may be adverse, provided that such matters are not the same, or substantially related to, a matter in which we work for you. For the avoidance of doubt, this waiver shall not apply to conflicts that are prohibited by applicable law.

13. Staffing While we will attempt to comply with your requests for specific individuals, we retain the right to assign and reassign our personnel (including contractors), as appropriate, to perform the services.

14. General

(a) These Professional Terms, together with the engagement letter, including all its attachments (collectively, the "Agreement"), constitute the entire understanding and agreement between us with respect to the services and deliverables described in the engagement letter, supersede all prior oral and written communications between us, and may be amended, modified or changed only in writing when signed by all parties. If there is a conflict between these Professional Terms and the terms of the engagement letter, these Professional Terms will govern.

(b) The Agreement may be executed in counterparts and signature pages exchanged by facsimile, and each counterpart shall be deemed to be an original and all such counterparts shall constitute one and the same agreement.

(c) No term of this Agreement will be deemed waived, and no breach of this Agreement shall be excused, unless the waiver or consent is in writing signed by the party granting such waiver or consent.

(d) The terms of this Agreement which by their nature are to survive this Agreement will survive its expiration or termination.

(e) We will retain files related to this engagement in accordance with our document retention policy, which shall include any computer files or documents that have been created as a result of our automatic archiving and backup procedures.

(f) We each acknowledge that we may correspond or convey documentation via Internet e-mail and that none of the parties has control over the performance, reliability, availability, or security of Internet e-mail. Therefore, none of the

parties will be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond our reasonable control.

(g) We are not authorized to practice law or provide legal advice. No services provided under this Agreement are intended to be, nor should be construed to be, legal services. Further, we are not a licensed CPA firm. No services provided hereunder shall be construed as providing tax advice, audit assurances or attestations. Stout has not been engaged to provide investment advice, and is not and shall not be construed as a fiduciary of the Client or any other party to or beneficiary of this Agreement.

(h) Any delay or failure on our part to perform the obligations provided herein shall be excused if we are unable to provide the deliverable as the result of an event or occurrence beyond our reasonable control and without our fault or negligence, including, but not limited to, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, epidemics, pandemics, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes and slowdowns); provided that written notice of such delay (including the anticipated duration of the delay) shall be given as soon as possible after the event or occurrence (but in no event more than 10 days thereafter). If requested, we shall, within 10 days, provide adequate assurances that the delay shall not exceed 30 days. If the delay lasts more than 30 days or we do not provide adequate assurance that the delay will cease within 30 days, you may immediately terminate this Agreement without liability beyond the time and expenses incurred to date.

(i) Any controversy or claim arising out of or relating to this Agreement shall be in accordance with New York law and shall be filed in the appropriate court in the State of New York. Further, you agree that venue in this court is proper, convenient, and to submit to the in personam jurisdiction of this court.

The prevailing party shall be entitled to an award of reasonable attorney fees as well as costs and fees incurred. Any party attempting to resolve the dispute outside of the prescribed methods outlined herein shall pay the opposing party's attorney fees as well as related costs and fees incurred.

(j) Each person executing this Agreement on behalf of a certain party represents and warrants that he or she is authorized to execute this Agreement on behalf of said party.

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