



CORPORATE DISCLOSURE
FOR
IDFS, INC., \$6,700,000,000.00
PROPOSED
TEXAS POWER GRID SYNCHRONIZATION PROJECT

PART ONE: PREAMBLE

This Document has been assembled, by the Senior Engineer of **AscenTrust, LLc.**, to provide a response to the request, forwarded to the Senior Engineer, from the **Funding Entity**. The specific items addressed in this document, are listed below:

- Auditing and accounting procedures, including internal controls
- Oversight responsibilities of corporate directors and officers and regulation of conflicts of interest, insider dealings, disclosure of special compensation, stock allocations, etc.
- Disclosure of information on anything that directly and indirectly influences or might influence financial results
- Risk mitigation, liabilities, criminalization of fraudulent handling of documents and violation of disclosure rules
- Requiring chief executives to certify financial results personally and to sign federal income tax documents

The items bulleted above are rearranged and numbered below. The numbering reflects the Section of the attached document in which the items will be addressed.

1. Disclosure of information on anything that directly and indirectly influences or might influence financial results. This item will be addressed in **Section One** of this **Document**.
2. Liabilities and criminalization of fraudulent handling of documents and violation of disclosure rules. This item will be addressed in **Section Two** of the **Document**
3. Auditing and accounting procedures, including internal controls. This item will be addressed in **Section Three** of the **Document**
4. Requiring chief executives to certify financial results personally and to sign federal income tax documents. This item will be addressed in **Section Three** of the **Document**
5. Oversight responsibilities of corporate directors and officers and regulation of conflicts of interest, insider dealings, disclosure of special compensation, stock allocations, etc. This item will be addressed in **Section Four** of the **Document**
6. Risk mitigation. This item will be addressed in **Section Five** of the **Document**

PART TWO: OUTLINE

Section One: Modified Notice to Investors to Disclosure Procedures

The **Disclosure Procedures**, attached as **Section One** of the Document, will be created from the original **Notice to Investors**, to include the response to the following disclosure requirements:

- Disclosure of information on anything that directly and indirectly influences or might influence financial results

Section Two: Code of Conduct

The Code of Conduct (Code), attached as **Section Two** of the Document, is to be used as the basis for the ethical practices of the Management team and Board of Directors of **IDFS, Inc.** and all the consultants, contractors, sub-contractors, Joint-Venture partners, vendors, affiliates and participants in the Green Energy project herein referred to as the **Texas Grid Synchronization Project**.

The Code of Conduct shall include a clause concerning Liabilities and criminalization of fraudulent handling of documents and violation of disclosure rules

The Management Team of IDFS, consultants, contractors, vendors and subcontractors seeking to participate in the construction or operation phase of this project shall agree to join the **Texas Grid Synchronization Alliance** and further agree that this **Code of Conduct** shall form the basis of their business conduct with the members and affiliates of the **Texas Grid Synchronization Alliance**.

Section Three: Auditing and accounting procedures

The **Auditing and accounting procedures**, attached as **Section Three** of the Document, are to conform to **Generally Accepted Accounting Principles (GAAP)** and the GAAP shall be used as the final arbiter of the accounting procedures, to be used by IDFS, Inc. The **Auditing and accounting procedures** will provide a preliminary outline of IDFS, INC.'s policies in various financial-related areas and sets forth the procedures to be followed in adhering to those policies. This Document is to be used by IDFS, INC. and its employees to assure that IDFS, INC.'s financial resources are properly safeguarded and utilized only for authorized purposes.

Section Four: Oversight responsibility of Corporate Directors

The **Oversight responsibility of Corporate Directors**, attached as **Section Four** of the Document will provide the members of the **Board of Directors** with an outline of their oversight responsibility.

The Board of Directors is responsible, under state corporate law, for the direction and management of the company. The Board will delegate significant authority to the CEO and senior management to run the day by day business of the Corporation. Once the board has delegated this authority to the Management Team, its primary responsibility shall be to oversee management's performance (while attending to areas that are not delegated to management, such as governance matters, CEO compensation and succession, retention and oversight of the independent auditor, approval of major transactions, determination of interest and dividend payments, and bylaw amendments).

Board oversight involves the continual inquiry by directors into whether the board's delegation of authority to management is reasonable, and whether the board has received sufficient and accurate information from management to make that determination. Typical areas of oversight include strategic initiatives, financial performance and the integrity of financial statements and accounting and financial reporting processes, risk management, and compliance.

The Board of Directors has a responsibility to identify and monitor risk and compliance on an ongoing basis, and they must do so rigorously with respect to mission-critical risks. This requires that the board understand the risks associated with corporate strategy and business operations.

Section Five: Risk Management

The risk management and compliance systems that will be installed as part of the information and control systems shall be designed and implemented to bring risk and compliance issues to management's and the board's attention. Boards need to be prepared to act on risk and for oversight of risk and compliance.

Outline:

Part One: Pre-construction risk

Part Two: Construction and Operational risks



DOCUMENT ONE
INVESTOR DISCLOSURE
FOR
IDFS, INC., \$6,700,000,000.00
PROPOSED
TEXAS POWER GRID SYNCHRONIZATION PROJECT



IMPORTANT DISCLOSURES TO FUNDING ENTITY

This document, along with the other documents attached to the **Investor Disclosure Document** will be entered, as an document, into the bylaws of the Corporation at the first Board Meeting, following the first draw from the **Funding Entity**.

1. This **Corporate Disclosure** is being furnished upon request from Mr. T. M. R. Woodford, of **TMRW Enterprises, Inc.**, as a requirement from the **Funding Entity**, to satisfy the final stage of due-diligence, on a confidential basis, for their consideration in connection with the funding for the **IDFS, INC., 6.7 Billion Dollars Project** which will be referred to as the **Texas Power Grid Synchronization Project**.
2. **IDFS, INC.** (The Company) is a Texas Corporation, in good standing, wholly owned by the **Senior Engineer** of AscenTrust, LLC. **IDFS, Inc.** is herein designated as the Corporate Applicant for the Funding for the \$6.7 Billion **Texas Power Grid Synchronization Project**.
3. **IDFS, INC.** shall be the Applicant and holder of the Independent Power Producer Production License.
4. **IDFS, INC.** will be the sole owner of every corporate entity created in order to satisfy the requirements of the Primary Stakeholder (The Funding Group) to this project. There may be as many as six Limited Liability Companies created to successfully complete this project.
5. Unless otherwise stipulated or specifically agreed upon, this document, its contents and any other agreements envisioned or pursuant hereto, are or will be ruled by the laws of the jurisdiction the State of Texas and the Federal laws of the United States.
6. The following note is inserted:

IDFS, Inc. hereby acknowledges the pertinent criminal statutes of the State of Texas with regards to fraudulent handling of documents.

In Texas, it is illegal to use false information to alter, create, or sign a document for the purpose of harming or defrauding another person or Corporate Entity. A key element in the law is the intent to use the falsified documents with an intent to defraud.

IDFS, Inc. hereby acknowledges the existence of the criminal statutes concerning the fraudulent handling of documents and declares, under penalty of perjury, that all members of the Management team will attend a mandatory seminar concerning the handling of documents.
7. This **CORPORATE Disclosure** shall only be forwarded to the intended and agreed upon **Funding Entity**.



8. By acceptance hereof, the recipient agrees that this Disclosure may not be reproduced or distributed, in whole or in part, to others, at any time, without the prior written consent of the Company and that the recipient will keep permanently confidential all information contained herein not already in the public domain, and will (along with those who assist in each of the recipient's investment decisions) use this Disclosure for the sole purpose of evaluating a possible investment in the Power Project.
9. This Disclosure will remain the property of the Company. The Company reserves the right to require the return of this Disclosure and any and all other documentation and other materials provided herewith (together with any copies or extracts thereof) at any time.
10. No person has been authorized to make any statement concerning the Company other than as set forth in this Disclosure and any such other statements, if made, may not be relied upon.
11. The Funding Entity should make their own investigations and evaluations of the merits and risks involved in this proposed **Energy Project**. Investors should not view the contents of this Disclosure as legal, tax, investment or other advice.
12. Members of the **Funding Entity** are deemed to have sufficient knowledge, experience and/or independent assistance, to have made and continue to make their own (legal, financial, tax, accounting and other) investment evaluations as to the merits, risks and suitability of investment(s) in the **IDFS, Inc. Power Project**.
13. In considering an Investment of this size in **IDFS, INC. (The Combined-cycle Power Generation Facilities)** and reviewing information contained herein, The **Funding Entity** should bear in mind that this Disclosure and the information presented here-in represents our best estimate of the timelines involved in the Project and that the setting of any milestone involves a certain amount of uncertainty.
14. Investments in the start-up of the **IDFS, INC. Power Project** may involve some risks. Investors should be aware that they would be required to bear the financial risks of this investment for an indefinite period of time. Investors should have the financial ability and willingness to accept the risk characteristics of the Company's **Power Project**.
15. Except where otherwise indicated, the information contained in this Disclosure has been compiled as of the date of initial distribution of this Disclosure. Under no circumstances should the delivery of this Disclosure create any implication that there has been no change in the affairs of the Company since such date.



16. This Disclosure is deemed to contain basic relevant information, to initially assist a qualified recipient in deciding whether to participate, as the sole investment Entity, in the **IDFS, INC. Power Project**. Although great effort has been put into the careful creation of this CORPORATE Disclosure, the reader should be aware that it has not been reviewed by an independent third party as to the accurateness of its contents.

17. All inquiries regarding the Company and this **Disclosure** should be directed to:

Mr. Joseph Fournier B.Sc.E.E., M.Sc.E.E., CEO of IDFS, INC.



DOCUMENT TWO

CODE OF CONDUCT

FOR

IDFS, INC., \$6,700,000,000.00

PROPOSED

TEXAS POWER GRID SYNCHRONIZATION PROJECT



CODE OF CONDUCT

This Code of Conduct (Code) has been developed and written by Mr. Joseph Fournier, CEO and Senior Engineer of **AscenTrust, LLC.**, and is to be used as the basis for the ethical practices of the Management team of **IDFS, Inc.** all the consultants, contractors, sub-contractors, Joint-Venture partners, vendors, affiliates and participants in the Green Energy project herein referred to as the **TEXAS POWER GRID SYNCHRONIZATION PROJECT**. Consultants, contractors, vendors and subcontractors seeking to participate in the construction or operation phase of this project shall agree to join the **Texas Grid Synchronization Alliance** and further agree to that this document shall form the basis of their business conduct with the members and affiliates of the **Texas Grid Synchronization Alliance**.

This code of conduct applies to all your activities with **IDFS, Inc., AscenTrust LLC., Nitex International, LLC., Advanced Software Development Inc., and Technical Construction LLC.** and any member Organization of the **Texas Grid Synchronization Alliance**. This code of conduct is to form the framework for your business relationship with all corporate or private entities involved directly or indirectly with any project whose ultimate source of funds is the **TEXAS POWER GRID SYNCHRONIZATION PROJECT**.

Your signature appended to this agreement which may be used as an document to a working Agreement or a Contract, acknowledges your participation and member status in the **Texas Grid Synchronization Alliance**, and establishes this Code as the guidelines for your business conduct and making it part of your relationship with the other participants of the **TEXAS POWER GRID SYNCHRONIZATION PROJECT**, thereby acknowledging your critical role in defining and protecting our most valuable collective asset - the trust that our clients, investors, colleagues and communities place in the **Texas Grid Synchronization Alliance**.

Our industry and the markets we serve continue to undergo significant changes. As a whole, these changes make the ways in which we do business more complex and constantly present new regulatory, ethical and legal issues. You must observe the highest ethical principles in all your activities, especially those relating to the **TEXAS POWER GRID SYNCHRONIZATION PROJECT**, and avoid engaging in any activity that involves even the appearance of impropriety.

This Code defines the minimum standards of business conduct and business practices with which you are expected to comply in regards to your business



relationship with all entities involved in the **TEXAS POWER GRID SYNCHRONIZATION PROJECT**. If local laws and regulations are more permissive than this Code you are expected to comply with the Code. If local laws and regulations are more restrictive, you must always comply with those legal requirements.

This Code is not legal advice or legal guidance. You should consult with a licensed attorney for questions regarding the legal requirements that apply to your business activities.

The following sections present in some detail the minimum ethical requirements for the vendors and sub-contractors participating in the **TEXAS POWER GRID SYNCHRONIZATION PROJECT**.

1. Financial Integrity and Accounting

Accurate and reliable financial and business records are of critical importance. You should not engage in any actions that could result in conveying false or inaccurate financial information to any of the participants of the **TEXAS POWER GRID SYNCHRONIZATION PROJECT**. You must ensure that all submissions, for example, orders, sales reporting, special bid requests, rebates, reimbursement requests, are complete and accurate.

2. No Wrongful Payments

At all times you are required to comply with all applicable US and local anti-bribery laws, such as the United States Foreign Corrupt Practices Act and similar local laws. You must not, directly or indirectly, make or offer bribes, kickbacks, or other payments of money or anything of value to anyone, including officials, employees, or representatives of any government, company, or public or international organization, or to any other third party, for the purpose of wrongfully obtaining or retaining business related in any way to the **TEXAS POWER GRID SYNCHRONIZATION PROJECT**. This includes giving money or anything of value to any third party; where there is reason to believe it will be passed on to anyone involved in the business decision process for the purpose of influencing the decision. When dealing with any business associates, you must exercise reasonable due diligence to ensure that you are aware of any potential warning signals that may indicate potential issues.

3. Anti-Trust and Competition Laws

You must fully comply with all applicable antitrust and competition laws and regulations. While these laws vary somewhat among jurisdictions, the **Texas Grid Synchronization Alliance** policies require, at a minimum, if you are



approved by the **TEXAS POWER GRID SYNCHRONIZATION PROJECT** as a vendor or allowed to remarket any of the components, systems or sub-systems of the **PROJECT**, that you do so as part of your independent business model and on terms and pricing that you set unilaterally. Furthermore, it is not permissible for you and any affiliate or competing vendor or resellers to do, or attempt to do, any of the following:

- A. Fix or control prices for any portion of your dealings with the **TEXAS POWER GRID SYNCHRONIZATION PROJECT**,
- B. Join together to boycott suppliers or clients,
- C. Coordinate competing bids.

4. **Competing Fairly**

The members of the **Texas Grid Synchronization Alliance** expect you and your employees to compete fairly and ethically for all business opportunities. You and all of your employees must ensure that all statements, communications, and representations to clients are accurate, complete, and truthful. Similarly, you must not make or attempt to make any unauthorized commitments on behalf of the members of the **Texas Grid Synchronization Alliance**, nor inappropriately implicate or involve the members of the **PROJECT** in your disputes with clients or others. Similarly, you should not defame or disparage the **TEXAS POWER GRID SYNCHRONIZATION PROJECT**, its vendors, affiliates, business associates, competitors or clients.

5. **Compliance with Securities and Insider Trading Laws**

You must comply fully with applicable insider trading and securities laws governing transactions in any **Texas Grid Synchronization Alliance** Member's securities, as well as those of our mutual clients. Securities include common stocks, bonds, options, futures, and other financial instruments. If you possess or have access to material, non-public information gained through your work with **Texas Grid Synchronization Alliance** or our clients; you must use that information solely for the purpose for which it was provided to you. You may not use it to trade in securities. These restrictions also apply to family members, friends, and associates.

6. **Business Courtesies**

You must ensure that all business courtesies, gifts, and entertainment you provide to clients, **Texas Grid Synchronization Alliance** Member employees and others comply with all applicable laws, are in the ordinary and proper



course of business, and cannot reasonably be construed as bribes or other improper inducements.

7. Intellectual Property

You are responsible for protecting the **Texas Grid Synchronization Alliance**, Members and client intellectual property rights. An important element of such protection is maintaining the confidentiality of the **Texas Grid Synchronization Alliance**, Members and client confidential information and other proprietary information. You must not reproduce copyrighted software, documentation, or other materials unless you are properly authorized to do so. You must observe applicable data privacy requirements.

8. Respect and Dignity

You must provide your employees with a work environment free of coercion and harassment.

9. Communication

You will ensure this Code (and other relevant information and related on-going education) is provided to your employees who work with **Texas Grid Synchronization Alliance** personnel and Alliance Members Products or Services.

10. Monitoring / Record Keeping

You must maintain documentation reasonably necessary to demonstrate compliance with this Code and must provide the Alliance with access to that documentation upon the Alliance's reasonable request.

11. Compliance

Any violation of this Code by persons working for, or on behalf of your firm will constitute the basis for the immediate termination of your Alliance business relationship(s) with the Alliance and may put you in a position to be sued by the Alliance for non-performance and damages.

END OF DOCUMENT- CODE OF CONDUCT



DOCUMENT THREE

AUDITING AND ACCOUNTING PROCEDURES

INCLUDING INTERNAL CONTROLS FOR

IDFS, INC., \$6,700,000,000.00

PROPOSED

TEXAS POWER GRID SYNCHRONIZATION PROJECT

PART ONE: Preamble

This Document has been assembled, by the Senior Engineer of **AscenTrust, LLC.**, to provide IDFS, INC. with guidance in fulfilling its fiscal responsibility to its **Funding Source**.

The principles set forth in this document shall comply with **Generally Accepted Accounting Principles (GAAP)** and the GAAP shall be used as the final arbiter of the accounting procedures, to be used by IDFS, Inc. This document will provide a preliminary outline of IDFS, INC.'s policies in various financial-related areas and sets forth the procedures to be followed in adhering to those policies.

This Document is to be used by IDFS, INC. and its employees to assure that IDFS, INC.'s financial resources are properly safeguarded and utilized only for authorized purposes.

Management realizes that the procedures set forth in this Document may become inadequate because of changes in conditions. As such, Management, as authorized by the Board of Directors, will revise, modify, and update this Document as conditions warrant.

IDFS, INC. will use the following principals in developing policies and procedures in fulfilling its fiscal responsibility and in maintaining its accountability to its funding source:

- 1. Principle of Regularity:** GAAP-compliant accountants strictly adhere to established rules and regulations. The Principle of Regularity dictates that **accountants must abide by all established rules and regulations**. It is this principle that establishes the mandate that all other principles and regulations set forth by GAAP must be always followed.
- 2. Principle of Consistency:** Consistent standards are applied throughout the financial reporting process.

Simply put, the Consistency Principle means that once your organization, or, more specifically, your bookkeeper or accounting department, adopts an accounting principle or method of documenting and reporting information, that method has to be used consistently moving forward.

GAAP Consistently Applied means GAAP using the same accounting methods, policies, practices, and procedures, with consistent classification, judgments, and estimation methodology, as were used by the Company in preparing the Financial Statements.

- 3. Principle of Sincerity:** GAAP-compliant accountants are committed to accuracy and impartiality. According to this principle, the accounting unit should reflect in good faith

the reality of the company's financial status.

- 4. Principle of Permanence of Methods:** Consistent procedures are used in the preparation of all financial reports.

The principle of permanence of methods is an additional commitment to regularity and consistency, emphasizing the need for reports to be comparable between different companies and fields.

This principle aims at allowing the coherence and comparison of the financial information published by the company.

- 5. Principle of Non-Compensation:** All aspects of an organization's performance, whether positive or negative, are fully reported with no prospect of debt compensation.

The principle of non-compensation states that accountants should commit to full disclosure of the facts—both good and bad—surrounding their institution's finances and cash flow.

One should show the full details of the financial information and not seek to compensate a debt with an asset, revenue with an expense, etc. (see convention of conservatism)

- 6. Principle of Prudence:** Speculation does not influence the reporting of financial data. This principle aims at allowing the coherence and comparison of the financial information published by the company.

The principle of prudence states that accountants will stick to a conservative, fact-based approach to financial results rather than indulging in speculation or opinionated judgments.

- 7. Principle of Continuity:** Asset valuations assume the organization's operations will continue.

The principle of continuity states that accountants operate under the assumption that the institution will continue to operate under its current practices, which has a major effect on the value of its asset

- 8. Principle of Periodicity:** Reporting of revenues is divided by standard accounting periods, such as fiscal quarters or fiscal years.

The principle of periodicity states that accountants will commit to regular reporting according to a predetermined period, usually a set fiscal year or fiscal quarter system.

- 9. Principle of Materiality:** Financial reports fully disclose the organization's monetary situation. The principle of materiality states that accountants will commit to full disclosure rather than obscuring certain facts or leaving information out of their reports.

10. Principle of Utmost Good Faith: All involved parties are assumed to be acting honestly. The principle of utmost good faith, from the Latin *uberrimae fidei*, states that in financial reporting, all parties should assume that the other parties are acting honestly.

Preliminary Accounting Policies and Procedures

Policy Number One:

Section One: Policy

1. **IDFS, INC.** shall maintain its accounting records in conformity with generally accepted accounting principles.
2. **Fund accounting** - In order to ensure observance of limitations and restrictions placed on the use of resources available to IDFS, INC., the accounts of IDFS, INC. shall be maintained in accordance with the principles of "fund accounting". Resources to be used for specific purposes are classified for accounting and reporting purposes into funds that are in accordance with activities specified. Fund balances restricted by outside sources are distinguished from unrestricted funds. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds. Unrestricted funds represent those funds over which the Board of Directors retain full control in achieving any of IDFS, INC.'s purposes.
3. The policies and procedures set forth in this Document will be followed by IDFS, INC. in carrying out its daily operations. Variances will be allowed only when approved by the CEO. If a grant funding source requires more stringent policies and procedures, the funding sources' policies and procedures shall be followed.

Section Two: Procedures

1. Accounting records will be maintained in accordance with IDFS, INC.'s fiscal year, ie. January 1-December 31.
2. The double-entry method of bookkeeping and the accrual method of accounting shall be used.
3. IDFS, INC.'s computer system will be utilized in maintaining and creating the general ledger, all related journals and financial reports.
4. All revenues, support and expenses shall be segregated, to provide for a proper accounting of each project by source of funds.

5. IDFS, INC.'s financial statements will be audited by an independent certified public accounting firm on an annual basis in accordance with generally accepted auditing standards. The audit shall also satisfy the audit requirements set forth by the **Funding Entity**.

Policy Number Two: Internal Control

Section One: Policy

IDFS, INC. will maintain an adequate system of internal accounting controls to provide management with reasonable assurance as to the safeguarding of assets against losses from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability of assets.

Section Two: Procedures

1. The characteristics of an adequate system of internal control will include the following:
 - a. Segregation of duties, when possible, within the organization based on functional responsibilities
 - b. A system of authorization and record retention
 - c. A degree of personnel competence commensurate with responsibilities
2. To achieve these objectives, the following controls shall be put in place:
 - a. No one person shall have complete control over all phases of any significant transaction.
 - b. Whenever possible, the flow of work will be from one employee to another so that the work of the second, without duplicating that of the first, provides a check upon it.
 - c. Recordkeeping will be separated from operations or the handling and custody of assets.
 - d. Responsibilities in the accounting department will be clearly established and followed as closely as possible

Policy Number Three: Financial Statement Audit

Section One: Policy

IDFS, INC. will have its financial statements audited by an independent Certified Public Accounting firm on an annual basis.

Section Two: Procedures

1. IDFS, INC. will have its financial statements audited annually in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States.
2. In preparing for the audit, IDFS, INC. should complete a self-check audit program.
3. Copies of the audited financial statements will be distributed to the CEO, CFO and others at the discretion of IDFS, INC.'s CEO. Additional copies will also be distributed to The **Funding Group** (As requested).

Policy Number Four: Financial Reports

Section One: Policy

1. All monthly, internal financial reports will be completed and distributed to IDFS INC.'s CEO and Board of Directors by the 15th day of the following month.
2. All financial reports required by the funding source will be properly prepared and filed in accordance with the applicable laws and regulations.

Section Two: Procedures

1. The monthly internal financial reports shall consist of the following:
 - a. Trial Balance
 - b. Balance Sheet
 - c. Statement of Support, Revenue and Expenses
2. External reporting requirements as set forth in the terms and conditions of the **Funding Group** shall be adhered to.

Policy Number Five: Records Retention

Section One: Policy

1. IDFS, INC. shall retain all accounting records and related supporting documentation for a period of at least 5 years.
2. At a minimum, all financial records, supporting documents, statistical records, and all other records of the Company required by the terms of the **Funding Entity**, must be retained for the time period(s) specified by the **Funding Entity**.

Section Two: Procedures

The procedures to be followed for the retention of records of the Company, required by the **Funding Entity**, shall be specified by the **Funding Entity**.



**DOCUMENT FOUR:
OVERSIGHT RESPONSIBILITIES OF CORPORATE OFFICERS
FOR
IDFS, INC., \$6,700,000,000.00
PROPOSED
TEXAS POWER GRID SYNCHRONIZATION PROJECT**

Oversight Responsibilities of Corporate Officers

PREAMBLE

This Document has been assembled, by the Senior Engineer of **AscenTrust, LLC.**, to provide clarification of the **oversight** role of the board of Directors. The board of directors has an explicit **Duty of Care** in the **decision-making** context, which requires directors to perform their duties in good faith and with the degree of care that an ordinary person would use under similar circumstances. The reason is that, in an oversight context, directors are not protected by the **Business Judgment Rule** if they fail to take action when they become aware of corporate improprieties.

PART ONE: DUTY OF CARE

Much has been written about the board of directors' *Duty of Care* in the *decision-making* context, which requires directors to perform their duties in good faith and with the degree of care that an ordinary person would use under similar circumstances. By contrast, the *oversight* role of the board is less well defined from a legal perspective. The reason is that, in an oversight context, directors are not protected by the Business Judgment Rule if they fail to take action when they become aware of corporate impropriety. Many directors are unfamiliar with this less defined and stricter component of the Duty of Care.

The duty of care is a fiduciary duty requiring directors and officers of a corporation to make decisions that pursue the corporation's interests with reasonable diligence and prudence. This fiduciary duty is owed by directors and officers to the corporation, not the corporation's stakeholders or broader society.

The **American Law Institute's Principals of Corporate Governance** defines the duty of care as the duty by which a corporate director or officer is required to perform their functions in good faith; in a manner that they reasonably believe to be in the best interests of the corporation; and with the care that an ordinarily prudent person would reasonably be expected to exercise in a like position and under similar circumstances (negligence standard).

PART TWO: BUSINESS JUDGEMENT RULE

Most directors are similarly aware of the protections afforded by the *Business Judgment Rule*—courts will not second guess directors' business decisions if the directors act on an informed basis and in good faith.

In adjudicating claims, the law distinguishes between two scenarios: deciding there is no problem and ignoring a problem. When a board considers a situation and makes a decision that results in a loss, the Business Judgment Rule will protect a board's decision if the board acted in good faith and properly informed itself in the process. The protection of the Business Judgment Rule is not determined by the results of the decision but by the quality of the



process employed. For example, when a board conducts a proper investigation and either takes action or consciously decides that action is not necessary, that decision, even if wrong, will be protected by the Business Judgment Rule.

Courts analyze the duty of care by applying the business judgement rule and examining the processes by which the directors and officers made decisions. Generally, courts do not subject these decisions to judicial review so long as the decision constitutes a valid business judgment. A valid business judgment is one that is made by financially disinterested directors or officers who have become duly informed before exercising judgment, and who exercise judgment in a good-faith effort to advance corporate interests.

PART THREE: DUTY OF OVERSIGHT

By contrast, when a loss occurs because of a board's failure to consider a problem, there has been no process, there is no decision to protect, and the Business Judgment Rule does not apply. Instead, directors may face liability for breach of the *Duty of Oversight*. Rather than having a court defer to the directors' business judgment, the directors will likely be required to defend a negligence claim. Thus, when directors are aware, or should be aware, of material improper conduct, violations of law or other action that could result in material harm to the organization, the Duty of Oversight demands that directors investigate the matter and decide whether or not corrective action is needed. If the board fails to consider the situation, the board will be criticized for failure to supervise and may face liability under the Duty of Oversight. Specifically, boards can be held liable under the Duty of Oversight for failing to act when they know or *should know* of wrongdoing.

The Duty of Oversight, therefore, creates an incentive for boards to respond to potential indications of wrongdoing in order to gain the benefit of the Business Judgment Rule.

How can a board protect itself? The law demands that directors investigate when there are red flags. If a director has actual knowledge of a material problem, he or she would be well advised not to wait for management to bring the topic before the board. Proper board action will always be the best defense to a Duty of Oversight claim.

Texas Corporate law allows a corporation, in its certificate of incorporation, to eliminate or reduce the personal liability of directors for breaches of fiduciary duty, including the Duty of Care. Although the Duty of Oversight is considered a component of the Duty of Care.

PART FOUR: LIMITING Board member Exposure

Corporations can limit their exposure through indemnification, directors and officers insurance (D&O insurance). Indemnification authorizes corporations to reimburse any agent, employee, director, or officer for reasonable expenses for losses of any sort arising from any actual or threatened judicial proceeding or investigation so long as the losses result from actions undertaken on behalf of the corporation in good faith. D&O insurance allows

corporations to insure fiduciaries for anything (including crime and bad faith). Generally, however, the insurance market will limit what is actually covered (i.e. criminal activity) and typically only covers losses stemming from good faith decisions.

Waivers of liability can limit and/or extend the [Board of Directors](#)' liability through the corporation's charter. A [corporate charter](#) can extend and/or limit personal liability for director fiduciary duty unless it pertains to a [breach](#) of [duty of loyalty](#); acts or [omissions](#) in bad faith; intentional [misconduct](#)/violation of law; or any transaction from which a director has received an improper personal benefit.

Given that the directors cannot ensure corporate success, the business judgment rule specifies that the court will not review the business decisions of directors who performed their duties (1) in [good faith](#); (2) with the care that an ordinarily prudent person in a like position would exercise under similar circumstances; and (3) in a manner the directors reasonably believe to be in the best interests of the corporation.^[7] As part of their duty of care, directors have a duty not to waste corporate assets by overpaying for property or employment services. The business judgment rule is very difficult to overcome and courts will not interfere with directors unless it is clear that they are guilty of fraud or misappropriation of the corporate funds, etc.^[8]

In effect, the business judgment rule creates a strong [presumption](#) in favor of the board of directors of a corporation, freeing its members from possible liability for decisions that result in harm to the corporation. The presumption is that "in making business decisions not involving direct self-interest or self-dealing, corporate directors act on an informed basis, in good faith, and in the honest belief that their actions are in the corporation's best interest."^[9] In short, it exists so that a board will not suffer legal action simply from a bad decision. As the [Delaware Supreme Court](#) has said, a court "will not substitute its own notions of what is or is not sound business judgment"^[10] if "the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company."



DOCUMENT FIVE: RISK ANALYSIS AND MITIGATION
FOR
IDFS, INC., \$6,700,000,000.00
PROPOSED
TEXAS POWER GRID SYNCHRONIZATION PROJECT

Section Five: Risk Analysis and Mitigation

PART ONE: PREAMBLE

This Document has been assembled, by the Senior Engineer of **AscenTrust, LLC.**, to provide the requested analysis of the risk factors involved in the **Texas Power Grid Synchronization project**. This risk analysis is being provided as the last portion of the **Disclosure Requirements** for the **Texas Power Grid Synchronization project**.

A risk is an event or condition that, if it occurs, could have a negative effect on the a project's objectives. Risk Mitigation is the process of identifying, assessing, responding to, monitoring and controlling, and reporting risks.

The **International Organization for Standardization (ISO)** Guide 73 provides basic vocabulary to develop common understanding on risk management concepts and terms across different applications. ISO Guide 73:2009 defines risk as:

effect of uncertainty on objectives

Note 1: An effect is a deviation from the expected – positive or negative.

Note 2: Objectives can have different aspects (such as financial, health and safety, and environmental goals) and can apply at different levels (such as strategic, organization-wide, project, product and process).

Note 3: Risk is often characterized by reference to potential events and consequences or a combination of these.

Note 4: Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence.

Note 5: Uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of, an event, its consequence, or likelihood.

Categories of Risk to be analyzed

1. **Financial risk:** Any of various types of risk associated with financing, including investment risk that include project funding loans in risk of default. For this analysis risk is understood to include only downside risk, meaning the potential for financial loss of Invested Funds. In Project Funding, risk is the possibility that the actual return on an investment will be different from its expected return. This includes not only "downside risk" (returns below expectations, including the possibility of losing some or all of the original investment) but also "upside risk" (returns that exceed expectations).

2. **Health, safety, and environment risks:** Health, safety, and environment (HSE) are separate practice areas; however, they are often linked. The reason is typically to do with organizational management structures; however, there are strong links among these disciplines. One of the strongest links is that a single risk event may have impacts in all three areas, albeit over differing timescales.
3. **IT Systems and Application Risk:** Risks related to IT systems or applications must be identified and documented based on the methodology in NIST SP 800-30, Risk Mitigation Guide for Information Technology Systems. IT system or application weaknesses must be identified on an associated plan of action and milestones (POA&M) and tracked in accordance with HHS POA&M guidelines. Appropriate protective measures must be taken to safeguard sensitive IT system or application weaknesses or vulnerabilities from unauthorized disclosure.
4. **Project risks:** A project is an individual or collaborative undertaking planned to achieve a specific aim. Project risk is defined as, "an uncertain event or condition that, if it occurs, has a positive or negative effect on a project's objectives.

The risk Mitigation and compliance systems, designed by the Engineering team at **AscenTrust**, will be installed as part of the information and control systems and shall be designed and implemented to bring risk and compliance issues faced by the **Texas Power Grid Synchronization project** to the attention of the Board of Directors of **IDFS**.

A majority of public corporations vest oversight responsibility for the full range of corporate risks in their audit committees, which, as required by stock exchange listing standards, are populated by individuals with financial literacy, but who may not have experience with non-financial risks. Freestanding risk or compliance committees are relatively rare, as are committees focused solely on the environment, health, and safety. According to a 2020 National Association of Corporate Directors (NACD) survey of Russell 3000 companies, approximately 9% of boards have risk committees, approximately 4% have separate compliance committees, and 4% have environment, health, and safety committees.

The Risk Mitigation Plan will define how risks associated with the **Texas Power Grid Synchronization project** will be identified, analyzed, and managed. It outlines how risk Mitigation activities will be performed, recorded, and monitored throughout the lifecycle of the project and provides templates and practices for recording and prioritizing risks by the Risk Manager and/or Risk Mitigation Team.

PART TWO: RISK MITIGATION SUMMARY

The preliminary risk analysis will be part of the Project Management Contract between **IDFS, Inc.** and **AscenTrust, LLC**. The operational phase of the risk Mitigation will be the responsibility of the risk Mitigation team of **IDFS, Inc.**

Risk Categories:

- 1. Financial Risk:**
- 2. Health, Safety and Environmental**
- 3. IT Systems and Application Risk**
- 4. Project Risk**

This risk analysis of the **Texas Power Grid Synchronization project** will only address the **Combined Cycle** portion of the project. The combined cycle power plant portion of the project will create the bulk of the revenue required to retire the Investment within a period of ten years. The solar and wind portions of the project are included in this summary because they are important to the overall Synchronization project.

The **Texas Power Grid Synchronization project** has three distinct areas of **Project Risk**. These areas of risk will be referred to as:

- 1. Pre-Construction (Regulatory)**
- 2. Construction (Using CPM (Critical Path Method) of Project Management)**
- 3. Operations**

The pre-construction risks are mainly located at the interface of the Project with the **Regulatory Entities** which have jurisdiction over the **Texas Power Grid Synchronization project**.

The construction risks will be mitigated by the **Project Management Team** set in place, for the project by the Senior Engineer of **AscenTrust, LLC**.

The majority of the risks, on the operation side, will be mitigated through the acquisition of all major components of the power production facilities from the **General Electric Corporation (GE)**. All equipment manufactured and installed by **GE** comes with a five year total guarantee.

PART THREE: Project Risk

Sub-Part One: Pre-construction risk

1.1. Pre-construction risk items

The following is a non-exhaustive list of items which have to be addressed before the start of construction:

1. Property Acquisition
2. Environmental Report (TCEQ State of Texas)
3. **EPA** Report for air Quality (TCEQ State of Texas)
4. Storm Water Pollution Prevention Plan (TCEQ State of Texas)
5. Site Development Permit (Matagorda County Engineering Department)
6. Construction Permitting (Matagorda County Engineering Department)
7. Application to become our own Utility District: Water and Sewer (Municipal Utility District) (TCEQ State of Texas)
8. Application to become an Independent Power Producer in Texas (Public Utility Commission)
9. Right of way access to switchgear at **South Texas Nuclear Project**
10. Application for a Grid Upgrade Survey
11. Application to Connect to the Existing Natural Gas Pipeline (Pipeline is owned by **Energy Transfer**)

1.2. Risk Mitigation (Pre-construction)

1.2.1. Property Acquisition: The Senior Engineer of AscenTrust is in communication with the owners of the subject property and we have settled on a price for the 2,500 acres. The price has been set at \$65,000,000.00. The property is outside of the **EPA Non-attainment zone** of the State of Texas. This means that we do not have to file and obtain an **EPA** permit from the Federal Government for our Air Quality Report. The Air quality requirements, in areas of Texas that are out of the **Non-attainment** zones, are controlled by **TCEQ (Texas Commission on Environmental Quality)**.

The subject property is located in a **Federal Opportunity Zone**. An Opportunity Zone is a designation and investment program created by the Tax Cuts and Jobs Act of 2017, allowing for certain investments in lower income areas to have tax advantages. The purpose of this program is to put capital to work that would otherwise be locked up due to the asset holder's unwillingness to trigger a capital gains tax.

The subject property also qualifies for the creation of a **MUD** (Municipal Utility District). A Municipal Utility District (MUD) is one of several types of special districts that function as independent, limited governments. The purpose of a MUD is to provide the project owner an additional pathway to

finance infrastructure, such as water, sewer, drainage, and road facilities. Managed by a Board elected by property owners within the MUD.

A MUD may issue bonds to reimburse a developer for authorized improvements and the MUD will utilize property tax revenues and user fees received from water and sewer services operated by the MUD to repay the debt. As the MUD pays off its debt, more of its tax revenue can be directed to other services. Originally, MUDs were very limited in what they were allowed to finance and what services they could provide. Over time, MUDs began taking on more responsibilities and providing enhanced services for their residents such as parks and recreation, deed restriction enforcement, and solid waste service. MUDs rely on the County to provide police and road maintenance services and Emergency Service Districts (ESDs) for providing fire protection.

1.2.2-4 & 7-8: Application to the State of Texas

The following regulatory State Agencies are involved in the permitting of Phase One of the **Texas Power Grid Synchronization project**.

A. TCEQ: The following requirements are mandatory, for the construction of a gas-fired power plant, in the State of Texas.

- Environmental Report (TCEQ State of Texas)
- **EPA** Report for air Quality (TCEQ State of Texas)
- Storm Water Pollution Prevention Plan (TCEQ State of Texas)

B. PUC AND ERCOT: The following requirements are mandatory, for the construction of a gas-fired power plant, in the State of Texas.

- Application to become our own Utility District: Water and Sewer (Municipal Utility District) (TCEQ State of Texas)
- Application to become an Independent Power Producer in Texas (Public Utility Commission)

Risk mitigation for the TCEQ regulatory requirements will come from the Governor's office. Governor Greg Abbott has been re-elected for a period of four years. The Governor is aware of our project and has agreed to fast-track our permitting processes with all State Agencies, including TCEQ, PUC and ERCOT.

Retired **Matagorda County** Judge, Mr. Nathan McDonald, has agreed to be the head of the Licensing and Regulatory Risk Mitigation Board of **IDFS, Inc.**



and will act as the political interface of our project in Matagorda County, with the Regulatory Entities in Austin, which have jurisdiction over our power project.

1.2.5-6: Application to the Permitting Department of Matagorda County

The following regulatory County Agencies are involved in the permitting of the **Texas Power Grid Synchronization project**.

- Site Development Permit (Matagorda County Engineering Department)
- Construction Permitting (Matagorda County Engineering Department) Risk mitigation for the Matagorda regulatory requirements will come from the Commissioners Court and the **Matagorda County Economic Development Corporation**. The new County Judge is **Honorable Bobby Seiferman** has been elected for a period of four years. The Judge and the members of the Commissioners Court are aware our project and have agreed to fast-track our permitting processes with all County Agencies.

Matagorda County offers incentives for businesses that establish themselves and create jobs for its citizens including:

- Employee recruitment & training
- Tailored services to help locate or expand
- Tax abatement policies for qualifying firms
- Tax-free industrial/environmental bonds

Tenaris (One of the large employers of Matagorda County) received Tax Abatement for 60 years. There is every indication that our project will also be able to receive between 40-60 years of Tax Abatement.

Retired **Matagorda County** Judge, Mr. Nathan McDonald, has agreed to be the head of the Licensing and Regulatory Risk Mitigation Board of **IDFS, Inc.** and will act as the political face of our project in Matagorda County.

1.2.9-11: Right of Way, Grid Upgrade, Natural Gas Pipeline

The following items are discussed together because there is no external financial risk associated with these requirements.

- Right of way access to switchgear at **South Texas Nuclear Project**. The right of way will be acquired for IDFS, Inc. by **Target Real Estate**. Target has a 100% success ratio on the Acquisition of right of way in Texas.
- Application for a Grid Upgrade Survey: The Grid survey is an automatic requirement from the **PUC** of Texas. The survey ensures that the grid can support the additional load of 800 Mwe. The highlines coming out of the

South Texas Power Project can support an additional minimum of 2.6 Gigawatts. The switchgear and the highlines were built to accommodate a total of four nuclear reactors and only two were built.

- Application to Connect to the Existing Natural Gas Pipeline (Pipeline is owned by **Energy Transfer**). We are already in conversations with Mr. Dick Muniz of Energy Transfer and we are assured that Energy Transfer can take care of the natural gas requirements for our **Combined-Cycle Power Plant**.

Sub-Part Two: Construction risk

2.1. Construction risk Items

2.1.1 Survey

A. Survey Risk Items

- Conventional topographical field property survey that determines the condition, nature, dimensions, elevations, grades and locations of all necessary, existing natural and physical features and facilities within the limits of the proposed work or adjacent areas needed to address changes to the tract, signals, communication, and other systems.
- Boundary land survey, as required by local statutes and ordinances, for all parcels that are within a minimum of 500 feet of the limits (but not less than that required by governing entities) of the proposed work.
- Surface and known subsurface features shown within the limits of the project area.
- The survey control points have been performed by Public Works surveyors with adequate details to establish horizontal and vertical control with offset ties for recovery and maintenance of all control points.

B. Survey Risk Mitigation

- The Project Manager will review and confirm that the surveys have been performed in adequate detail for their preparation of design documents.
- The Project Manager shall provide a fully dimensioned existing condition plan based on the survey. The plan must show all utilities, property boundaries, set back requirements, and other existing features accurately including, but not limited to, the location, size and type of all structures, roadways, and other salient features that are

within the limits of the project and those features which may affect or be affected by the project including all aerial and underground utilities within ten (10) feet of the project limits.

- The Project Manager shall provide a list of potentially affected property and utilities including telephone, storm water drains, water and sewer, communication tower

2.1.2. Infrastructure Investigation

A. Risk Items:

Existing Infrastructure: Stormwater, pipelines, water wells on property with allowed water extraction capacity.

B. Risk Mitigation

The Project Manager shall be responsible for performing a detailed investigation of the infrastructure at and surrounding the project area. This infrastructure investigation shall include all items necessary to develop the design documents for the project. This effort shall include, but is not limited to, the following items.

- **Levels of Service:** The Project Manager shall evaluate the level of service provided by other utilities that will provide basic services to this facility. If the service is deemed to be inadequate for use in this project, the Project Manager must develop a design for providing adequate service levels to the facility.
- **Oil & Water Separator System:** The Project Manager shall investigate and identify all applicable regulatory requirements.
- **Storm water Management:** The Project Manager will identify all applicable regulatory requirements and develop a Storm water run off Management Plan for the site.

2.1.3. Geotechnical Analysis

A. Risk Items:

- a. Subsurface Conditions**
- b. Soil Borings and analysis**
- c. Soils Report**

B. Geotechnical Risk Mitigation:

- a. Subsurface Conditions:** The Project Manager shall investigate the subsurface conditions in the area of the project. Substantial effort must be made to minimize the potential for unforeseen conditions.

This investigation shall study all affected areas, potentially including, but not limited to, platforms areas, foundations, yard areas and areas requiring slope stabilization. The subsurface investigations shall include digging test pits and/or taking soil borings in numbers and locations necessary to develop an accurate profile of the soil conditions in all areas where construction operation will take place and is appropriate for the planned work.

- b. **Soil Borings:** The Project Manager shall conduct soil borings as required at the area of the proposed work. Test pits may be substituted where deep (four feet +/-1 or greater) foundations are not needed, (e.g., in areas to be paved only). The borings shall be developed to refusal depth, with approximately 33% to include rock sampling. Rock sampling shall be a minimum of 10 feet into rock.

The borings delineated above are considered a minimum. If the Project Manager determines that it is in their best interest to further the quality of the design, i.e., that additional borings are required, they shall be provided.

- c. **Soil Boring Analysis:** Soil borings are to be coordinated so as to provide samples for environmental evaluation and to expose such subsurface conditions for analysis.
- d. **Soils Report:** The Project Manager shall provide a full report on the subsurface conditions. The report shall identify subsurface soil layers, including soil type and pertinent soil properties for each layer, identify underground utility locations, including depth, as well as any other important subsurface locations and items. The report shall also include the soil boring logs and soil design criteria.

The Project Manager shall provide a plot plan locating all soil borings. The drawing shall have the proposed foundation system projected on it as a reference overlay. The subsurface report, including the geotechnical Engineering data and plot of the subsurface conditions shall be produced in paper and electronic forms suitable for review by IDFS PM and technical team and compatible with IDFS's current software. All plan shall be created using **AutoCad Software**.

2.1.4 ENVIRONMENTAL CLEARANCE

A. Risk Items:

- a. Environmental Site Assessment (ESA)
- b. Subsoil Evaluation
- c. Permit Acquisition
- d. Compliance to Environmental Assessment

B. Risk Mitigation:

- a. **Environmental Site Assessment (ESA):** The Project Manager has to initiate a Phase 1 ESA. The Project Manager shall incorporate the “recommendations for further action” of the ESA in the Project Manual for discussions at the next meeting with the IDFS **Project Lead**.
- b. **Subsoil Evaluation:** The Project Manager shall report the results of soil sampling, including sampling done in conjunction with structural soil borings, and incorporate necessary environmental remediation efforts into the Project Manual.
- c. **Permit Applications:** Applications for all applicable federal and local permits will be prepared and submitted to respective agencies upon determination of the appropriate action to pursue in order to satisfy NEPA requirements. The Project Manager shall provide sufficient and adequate environmental data for preparation of permit applications.
- d. **Compliance to Environmental Assessment:** The Project Manager must comply with all aspects of the EA.

2.1.5. First Power Plant Construction Project

A. Risk Items

- a. General Design Items
- b. Facility Plan Layout
- c. Generation Equipment, Switchgear and auxiliary
- d. Task Phasing

B. Risk Mitigation

a. General Design Items

1. The Project Manager will develop detailed design from a pre-designed conceptual layout provided by **GE** (General Electric is the manufacturer of the gas turbine) . The plant will ultimately consist of two GE Frame 7FA natural gas fired turbine power generating plant capable of producing 342 MWe of electricity. The plant will also

incorporate a heat recovery unit for a total production of 560 MWe. The heat recovery unit will also include heating elements to be able to increase the electrical production of the steam generation equipment by 40-80 MWe. This additional electrical production will be used for peak shaving.

2. **Switchyard.** The gas turbines will operate at 13,800VAC, 60Hz, 3 phase. The Company will purchase and install three new or used generator step up transformers (GSUs) to meet **ERCOT** power delivery requirements, which are assumed to be 34.5 kV. It should be noted that this assumption is subject to change based on feedback from **ERCOT** after The Project Manager submits the application for interconnection and an interconnect study has been completed.
3. The Project Manager will construct the Bay City Power Plant Electrical Earth/Ground Grid System as per design specification for Generators, Switchgear & Auxiliaries.
4. The proposed design for construction will have detailed layouts, descriptions, project schedule and itemized costs. The proposed plan will address location, size, parking, landscape, utilities, ingress and egress within the Bay City Power Plant.
5. The Project Manager will survey, design and perform any required construction for the best cable route and layout for duct work, conduit runs, and cable runs to interconnect Bay City Power plant with the Bay City Medium Voltage and Low Voltage substation, and distribution grid system for all 13.2 kV Feeders.
6. The Project Manager will be responsible for the final design of the New Power Plant Building, Facility and Facility grounds to include Bulk Fuel Storage Tanks, Waste Liquid Storage Tanks, runoff water separator, etc. If required by IDFS, the Project Manager shall prepare all bid documents for the purpose of issuing the request for bid for the construction of the New Power Plant Building.
7. The Project Manager will be tasked with coordinating all work with the IDFS Project Manager, and work with IDFS technical team, Generators & Switchgear supply contractor for timely completion of project as per standard best work practices with the Building

Construction Contractor. The scheduled timeline for this project is part of the evaluation criteria.

8. The Project Manager will design the new Power Plant Building to include Noise Attenuation for the surrounding residential area. Noise level must be 65 dB or lower, measured at 10 meters from the corners of the power plant. Other design criteria should also be applied to further reduce the noise level of the plant from the residential homes nearby, such as trees/plants or other natural or man-made barriers.
9. The new power plant and entire power plant facility shall include security & boundary fencing, security guard post, and security lighting.

b. Facility Plan Layout

The Project Manager will design and provide a plan layout and location for other support facilities for the new Power Plant Project activities to include but not limited to the following:

1. Waterlines and Wastewater Installations, including back up Water Storage Tank system for turbine cooling water, and Sludge & Waste Oil Storage Tanks with spill prevention (containment structure)
2. Station services transformers – located outside of the Power plant building; to include containment to prevent oil spills
3. Perimeter Concrete & Rock Wall
4. Oil & Water Separator System for treatment of all run-off water from power plant grounds (USEPA and US Coast Guard compliant). The new Power Plant Building and power plant grounds should have adequate containment in case of oil or fuel leak inside the power plant facility.
5. Design the Layout and install for the entire compound the lighting electrical system
6. Re-route Existing Drainage System and Construct Drainage system where required
7. Internal/External Drainage System for Fuel and Oil Spill Prevention and Runoff
8. Fuel and Lube Oil Storage & Secondary Containment Facilities

9. Parking Space with handicap parking, Security Building, and Machine Shop
10. Drainage shall be designed and constructed properly to avoid flooding of power plant building during heavy rain storms. Building foundation should be high enough to prevent flooding from runoff and heavy rains

c. Generation Equipment, Switchgear and auxiliary

1. The Project Manager will be coordinating the New Power Plant building Design with the Equipment Supplier for the new Bay City power plant.
2. The Project Manager will work with the Equipment Supplier for any needed civil structure detail layout for the design of the generator foundation and any other required equipment foundation.
3. The Project Manager will assist and work with the IDFS technical Staff to completely address all schedules and plans for completion of the tasks which are specified in the Equipment Supplier's scope of work (SOW) for the Base Load Generators, Switchgear & Auxiliaries specifications as required by IDFS.

d. Task Phasing

The work comprises distinctive design and construction phases as described below:

1. ADMINISTRATION:

The Project Manager shall provide administrative project management. Administration shall include, but is not limited to, quality control / quality assurance, design procedures and criteria, coordination of the design team and project elements, monitoring schedules, document control, submittal review, submitting of design deliverables, organizing and conducting progress meetings, monitoring the progress of work, and oversight of value Engineering, implementation and construction estimates.

The Project Manager shall coordinate the documentation for all design disciplines; including that of the sub-contractors, so that the initial project research and the resulting contract documentation is complete, concise, and without omission, contradiction, or ambiguity.

2. INFRASTRUCTURE INVESTIGATION

The Project Manager shall be responsible for performing a detailed investigation of the infrastructure at and surrounding the project area.

This infrastructure investigation shall include all items necessary to develop the design documents for the project.

3. SITE DEVELOPMENT

The Project Manager shall refine the master development plan and prepare detailed design drawings. The drawings shall include, but not be limited to, plans for the building, parking, pedestrian crossing, and other infrastructure improvements such as roadway and sidewalk improvements.

If additional data are required to meet and comply with the recommendations resulting from the Design Engineering efforts that were accepted by IDFS, the Project Manager shall conduct the surveys, studies, investigations, inspections, and research necessary to obtain this data and use it in modeling their design.

Architectural Site Plan - This plan will include the site area generally within the IDFS Bay City compound. The plan will show the proposed location of the Power Generation Building, the parking configuration, side walks, and surrounding roadway improvements.

4. Turbine Foundation - Design Consideration:

The foundation will have the required mass and base area, assuming installation on firm soil and the use of high quality concrete. Before final details of the foundation design are established by the designer, the bearing capacity and suitability of the soil on which the foundation will rest will be determined. Modification of the manufacturer's recommended foundation may be required to meet special requirements of local conditions.

The turbine foundation may extend below the footings of the building and the foundation will be completely isolated from the walls and floors of the building. The foundation block will be cast in a single, continuous pour. If a base mat is used, it will be cast in a separate continuous pour and be provided with vertical re-bars extending up into the foundation block.

5. Electrical

The Project Manager shall provide the necessary details for all electrical systems necessary for the proposed New Power Plant Building and illustrate all electrical spaces with full dimensions. Drawings will show the development of panels and circuits for all electrical systems. Electrical elements comprise all items associated with electrical service and distribution, including but is not limited to, conduits, telephone service, fire alarm systems, cable, emergency back-up power, radio and telephone communications, lighting, and CCTV and/or security systems.

- A.** All electrical systems and distribution shall meet all applicable local, state, and federal codes, requirements and guidelines.
- B.** All services shall be distributed from centrally located panels.
- C.** Connections between systems designed by the Project Manager shall be specifically noted and detailed such that the systems are properly and fully integrated, fully functional as intended, with specific directions provided as to who is responsible for making the connections.
- D.** The lighting design must conform to IDFS standards. Lighting shall be provided with emergency back-up systems. The Project Manager shall incorporate an energy management system and Energy Efficient Design (LEED) components into the lighting design.
- E.** The Building Electrical system should be designed and linked to the Emergency Supply system provided in the EC Electrical switchgear.
- F.** The Project Manager shall ensure the Building Emergency Equipment and Critical electrical Load is connect to the EC's Emergency back up circuit on the Switchboard.
- G.** Emergency wiring for the emergency systems must be entirely independent of the wiring used for normal lightning and other circuits, also in separate ducts/cable trays, cables and boxes.
- H.** All of the New Power plant building Electrical wirings must be labeled and color coded.
- I.** Electrical wiring and cable material selection shall comply with the latest industrial standards.

6. Mechanical

- A.** The Project Manager shall design and prepare drawings, details, specifications and calculations for all mechanical systems for the Buildings.

- B. Mechanical design shall include, but not be limited to, all items associated with the plumbing, water supply, waste water disposal, garage, storm/rain water collection, heating, air conditioning and ventilation.
- C. The Project Manager shall prepare a Life Cycle Cost Analysis for major mechanical systems (e.g. heating, cooling, and ADA elevators if required).

7. Accessibility

- A. The Project Manager shall provide for ADA compliant access into and through the Building facility where ADA access is required.
- B. For all ramps and platforms, the Project Manager shall be responsible for developing all related aspects of the design of these elements including, but not limited to, lighting, signage, warning strips, tactile edging, and railings.

Sub-Part Three: Operational risks

The **Project Management Team** of AscenTrust, LLC. shall initiate the compilation of the **Operational Risk Mitigation Plan** for **IDFS, Inc.**

The Risk Mitigation Plan will generally follow the outline set below.

3.1. . Purpose Of The Risk Mitigation Plan

A risk is an event or condition that, if it occurs, could have a negative effect on a project's objectives. Risk Management is the process of identifying, assessing, responding to, monitoring and controlling, and reporting risks. This Risk Mitigation Plan defines how risks associated with the **Texas Power Grid Synchronization Project** will be identified, analyzed, and managed. It outlines how risk management activities will be performed, recorded, and monitored throughout the lifecycle of the production phase of the project and provides an outline for the practices to be used for recording and prioritizing risks by the **Operation Manager**.

Risks related to IT systems or applications must be identified and documented based on the methodology in NIST SP 800-30, Risk Management Guide for Information Technology Systems. IT system or application weaknesses must be identified on an associated plan of action and milestones (POA&M) and tracked in accordance with HHS POA&M guidelines. Appropriate protective measures must be taken to safeguard sensitive IT system or application weaknesses or vulnerabilities from unauthorized disclosure.

3.2. Risk Management Procedure

3.2.1. Process

The **Operations Officer** will ensure that risks are actively identified, analyzed, and managed throughout the **Operational** life of the **Power Production Facility**. Risks will be identified as early as possible in the project so as to minimize their impact. The steps for accomplishing this are outlined in the following sections. The **Operations Officer** or other designee will serve as the Risk Mitigation Manager for **IDFS, Inc.**

3.2.2. Risk Identification

Risk identification will involve the appropriate stakeholders and will include an evaluation of financial risk, environmental factors, organizational culture and the scope, schedule, cost, or quality. Careful attention will be given to **ESG** (Environment, Social and Governance) matters.

3.2.3. Risk Analysis

All risks identified will be assessed to identify the range of possible Financial and business outcomes. Risks will be prioritized by their level of importance.

3.2.4. Qualitative Risk Analysis

The probability and impact of occurrence for each identified risk will be assessed by the project manager, with input from the project team using the following approach:

3.2.5. Quantitative Risk Analysis

Analysis of risk events that have been prioritized using the qualitative risk analysis process and their affect on Corporate activities will be estimated, a numerical rating is applied to each risk based on quantitative analysis, and then documented in this section of the risk mitigation plan.

3.2.6. Risk Response Planning

Each major risk will be assigned to a risk owner for monitoring and controlling purposes to ensure that the risk will not “fall through the cracks”. For each major risk, one of the following approaches will be selected to address it:

Avoid – Eliminate the threat or condition or to protect the project objectives from its impact by eliminating the cause

Mitigate – Identify ways to reduce the probability or the impact of the risk

Accept – Nothing will be done

Contingency – Define actions to be taken in response to risks

Transfer – Shift the consequence of a risk to a third party together with ownership of the response by making another party responsible for the risk (buy insurance, outsourcing, etc.)

For each risk that will be mitigated, the project team will identify ways to prevent the risk from occurring or reduce its impact or probability of occurring. This may include prototyping, adding tasks to the project schedule, adding resources, etc. Any secondary risks that result from risk mitigation response will be documented and follow the risk management protocol as the primary risks.

For each major risk that is to be mitigated or that is accepted, a course of action will be outlined in the event that the risk does materialize in order to minimize its impact.

3.3. Environmental, Social and Governance Issues

The Board of IDFS shall, with input from the Funding Group, evaluate whether they are appropriately structured for risk and compliance oversight, and should also review periodically the information and control systems designed to ensure that relevant information is brought to the attention of Mitigation and the board in a timely manner. Given its already heavy workload, the audit committee may not be ideally positioned to focus on mission-critical risks at the level required.

The board shall remain focused on providing guidance and oversight, with the majority of its time reserved for discussing corporate strategy and assessing the quality of Mitigation's performance, including Mitigation's focus on business continuity, opportunities, and risks. The board plays a key role in assisting Mitigation in understanding and focusing on the risks associated with corporate strategies, the drivers of corporate performance, and the business and political environment and devoting appropriate resources to risk identification and Mitigation activities.

The Board shall pay particular attention to the fundamental drivers of the business, the most critical risks facing the company, and how those forces may be impacted. Issues of strategy are increasingly intertwined with issues of corporate purpose and **ESG** (Environment, Social and Governance) matters. The board shall:

- Ensure that a considerable proportion of board time is focused on strategic issues, including specific strategic plans and transactions, and the company's broader long-term direction and viability.
- Consider with Mitigation what opportunities are likely to emerge in the current environment, how issues of corporate purpose and ESG relate to corporate strategy, and what opportunities and risks arise from the heightened attention to stakeholder interests and ESG.
- Understand the risks associated with strategic decisions and operations, and the processes Mitigation has in place to identify, monitor, and manage risk.
- Monitor Mitigation's performance in carrying out the strategy and managing associated risks.
- Reach a well-informed business judgment about what compliance, safety, or other risks might be mission critical.
- Consider whether the board has clearly delegated to a committee the responsibility to assist in oversight of mission-critical risks. Committee charters should clearly reflect this responsibility, and committee members should have appropriate experience (or access to appropriate expertise) and receive relevant information.
- Review the reporting processes that ensure information about mission-critical risks (including compliance) is brought to board and committee attention in a manner that is clear, easy to understand, and not unduly dependent on Mitigation discretion. The board, if requested by **Funding Group**, shall engage a third party to assist in reviewing these information and control systems.
- Regularly discuss risk and compliance, including mission-critical risks, at board and committee meetings, with the board reviewing the company's enterprise risk Mitigation and mission-critical risks at least annually or bi- annually if requested by **Funding Group**.
- Ensure that board and committee agendas, minutes, and meeting materials reflect discussions of risk and compliance issues related to ongoing oversight and periodic reviews.
- Hold Mitigation accountable for creating and maintaining a corporate culture that prioritizes achieving the company's purpose with integrity and



professionalism, and for implementing and maintaining compliance, risk Mitigation, and information and control systems that are fit for purpose.

PART FOUR: Disclaimer

1. Except where otherwise indicated, the information contained in this Document has been compiled at the request of Mr. Reginald Crossley as the last step of the **Due-diligence for Texas Power Grid Synchronization Project**.
2. This Risk Mitigation Document is deemed to contain basic relevant information, to initially assist a qualified recipient in deciding whether to participate, as the sole Investment Entity, in the **IDFS, INC. Power Project**. Although a substantial effort has been expended, by the Senior Engineer of **AscenTrust, LLC.**, into the careful creation of this Document, the reader should be aware that it has not been reviewed by an independent third party as to the accurateness of its contents.