

Tax Preparation Engagement Letter

Thank you for choosing Christensen Consulting, LLC (CCLLC) to prepare your tax returns. This letter is to confirm our understanding of our tax services and to clarify our scope and limitations.

Scope of Engagement

1. We will prepare your Federal and State tax returns and each year thereafter until notified by you.
 - a. Any tax returns will be prepared solely for complying with Federal, State and Local law.
 - b. The engagement may be terminated at any time. Please contact us so that we are aware of it. Regardless of who initiates the termination, you will be responsible for paying the outstanding invoices and for any unbilled costs for the work in progress.
 - c. Examples of when we'll terminate a client relationship is when the client is continually unresponsive to our advice, continues to provide questionable expenses, and for non-payment of services invoiced. This is not an all-inclusive list. We will provide written communication in this event and return any records that you sent to us.
 - d. You authorize us to file the appropriate extensions if needed.
 - e. We E-file all returns. If you prefer to opt-out, please inform us.
 - f. We provide you with a PDF copy of your return. Please keep for future needs.
2. We will provide questionnaires and checklists to help you gather your information.
 - a. You represent that the information that you provide is accurate and complete to the best of your knowledge. That you have disclosed all relevant facts.
 - b. You should retain all the documents, reports, canceled checks, invoices, receipts and logs that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them or the Form 8879 (provides for E-Filing).
 - c. You will need to advise us if you have done business of any kind in another state, or if you've received compensation of any kind from another state, or if you created a Corporation, LLC, Partnership or any other entity throughout the year.
 - d. We do not verify the information that you give us, however we will ask for additional clarification of some information.
3. We will use professional judgment in resolving questions where the tax law is unclear, or when conflicts exist between taxing authorities' interpretations (IRS and Courts, etc.) of the law and other supportable positions. We will explain to you the different positions that may be taken on your return, and will take positions which are more favorable to you, provided that there is reasonable justification for doing so.

4. You are responsible for all management decisions and responsibilities. We will provide you with recommendations but it will be your responsibility to approve and to execute those recommendations.
5. We will provide you with routine tax advice throughout the year.
 - a. Most tax advice that we provide will be provided verbally by phone or by email. In no case is any tax advice to be used to avoid penalties imposed by the IRS.
 - b. Specific tax advice relates only to your situation and is not designed for anyone else. We accept no responsibility for any third party to whom you may pass on our advice.
 - c. If your question is of the nature that requires research or a significant amount of time on our part, we will charge our Standard Rate.
6. This engagement does not include the following:
 - a. Accounting Services
 - b. Bookkeeping Services
 - c. Payroll Services
 - d. Attest Services
 - e. Fraud or Theft Detection
 - f. Misappropriations and Irregularities
 - g. Extensive tax planning, year-end projections, additional estimated tax planning, tax research or audit representation.
 - h. This engagement does not include us responding to third-party notices or inquiries (ie: IRS, State, Banks, etc.) that you receive.
7. If we discover information that affects your prior-year tax returns, we will make you aware of the facts. However, we aren't responsible for identifying these situations. If you become aware of such information, please let us know.
8. **AFFORDABLE CARE ACT**
 - a. Our services in connection with this engagement are not designed to address the legal and/or regulatory aspects of your compliance with the requirements of the Affordable Care Act.
9. **NEW CAPITALIZATION REGULATIONS**
 - a. The IRS and U.S. Treasury have issued final capitalization regulations that govern when taxpayers must capitalize and when they can deduct their expenses for acquiring, producing or improving tangible property. These regulations are fully effective for tax years beginning on or after January 1, 2014.
 - b. The final regulations have created new safe harbors, and while certain safe harbors and elections are implemented through filing statements or treatment of an item on a timely filed federal tax return, the IRS considers the remaining provisions to be a change in method of accounting which may require a taxpayer to file Form 3115, Application for Change in Accounting Method.

- c. In order to make an election on a timely filed federal tax return, additional time may be required by our firm to analyze your acquisitions and improvements. By your signature below, you accept final responsibility for your capitalization analyses and decisions, and you agree to provide us with the information necessary to prepare the appropriate elections and/or form(s).
- d. If you have any questions regarding the application of these new regulations to your company, or your company's specific qualifications for one of the safe harbors, please ask us for advice in that regard.
- e. Depending on the complexity and time that this new regulation affects your tax return, additional fees may be charged.

10. FOREIGN ASSETS

- a. Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over (via direct or indirect control), bank accounts, securities, or other financial accounts having an aggregate value exceeding \$10,000 at any time during the calendar year in a foreign country, shall report such a relationship.
- b. If you and/or your entity have a financial interest in, or signature authority over, any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare the Report of Foreign Bank and Financial Accounts (FBAR) required by the U.S. Department of the Treasury in order for the FBAR to be received by the Department on or before June 30th of each tax year.
- c. Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the Internal Revenue Service may result in substantial monetary penalties. By your signature below, you accept responsibility for informing us if you believe that you may have foreign reporting requirements with the U.S. Department of the Treasury and/or Internal Revenue Service and you agree to timely provide us with the information necessary to prepare the appropriate form(s). We assume no liability for penalties associated with the failure to file, or untimely filing, of any of these forms.

Limitations

- 1. The Internal Revenue Code and regulations impose preparation and disclosure standards with non-compliance penalties on both the preparer of a tax return and on the taxpayer. These standards differ. Unless we have a reasonable belief that any tax position in your return will more-likely-than-not be sustained on its merits, a preparer penalty will be imposed on us unless that position has a reasonable basis and is adequately disclosed in the return. And, while we might be able to avoid a preparer penalty by adequately disclosing the position on the return, you might not have to disclose the position in order to avoid applicable taxpayer penalties. If we determine that we would be subject to a preparer penalty by delivering your return to you,

you agree to either adequately disclose that position on your return or change the position to one that would not subject us to penalty. If you do not choose to change your position or adequately disclose so as to eliminate, in our sole opinion, our exposure to the preparer penalty, we, in our sole discretion and at any time, may withdraw from the engagement without completing or delivering tax returns to you. Such withdrawal will complete our engagement and you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenses through the date of our withdrawal.

2. If you are filing as MFJ or as an RDP, each party is treated as a client. Thus, we will ask questions and freely share information to both parties. There should be no expectation of privacy.
3. If a separation or pending divorce is an issue, we will suggest that one party seek another tax advisor. However, if both parties are acceptable to working together and with full disclosure for tax purposes, we will provide tax advice to both parties, of which both parties will be made aware of.
4. Certain nonpublic information about you may be disclosed to provide information to affiliates of the firm and non-affiliated third parties who perform services or functions for us in conjunction with our services to you. However, we will only make such a disclosure if we have a contractual agreement with the other party which prohibits them from disclosing or using the information other than for the purposes for which it was disclosed.
5. Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.
6. It is our policy to keep records related to this engagement for 5 years. Certain documents that show basis may be kept longer. It is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

Fees and Payments

1. Our fees are based on a variety of factors such as the value of the services provided, amount of time it takes to complete the return, its complexity, and the accuracy, completeness and quality of your records. If your records are not submitted in a timely manner, or are incomplete, your fees will generally be higher. You also agree to reimburse us for any out-of-pocket costs we incur in conjunction with this engagement.
2. We will bill you as of the date your tax return is completed and ready for filing. Payment is due upon receipt and the return will not be E-Filed until payment is made. We will not be responsible for any late filing penalties due to non-payment.
3. Payment plans may be set up but only with CCLLC's authorization.
4. Continuation of non-payment will result in termination of any further services.

5. Interest for non-payment will accrue at 10% per year.

Disputes

1. Should there be any disputes, we agree to mutually resolve between ourselves. If the dispute continues, we will try to settle through mediation (all parties will bear their own costs), and if not agreed to by all parties involved, then we will submit the matter to binding arbitration.

If the tax services and terms outlined are in accordance with your understanding of our engagement, please print, sign and email or fax to CCLLC. We cannot submit the return until we receive this engagement letter.

Please contact us if you have any additional questions.

We appreciate your trust!

Thank you!

Taxpayer Signature

Spouse Signature

Date

Date