Danny Koerth, CPA, P.C.
Accounting and Tax Services
www.koerthcpa.com

January 1st, 2018

2017 Income Tax Return Engagement Letter

Dear Client:

Danny Koerth, CPA, P.C., (firm) is pleased to provide you with the professional services described below. This letter, and the attached *Terms and Conditions Addendum* and any other attachments incorporated herein (collectively, "Agreement"), confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services I will provide. The engagement between you and my firm will be governed by the terms of this Agreement.

Engagement Objective and Scope

I will prepare the following federal and state tax returns for the year ended 12/31/2017 or fiscal year-end for 2017 if required:

Form 1040, 1040A, 1040 EZ	Individual Income Tax Returns
Form 1041, 1065, 1120, 1120S, 706, 709. 990s	Business Income Tax Returns
Any Required State Tax Forms	Individual or Business State Tax Returns
Any Required Texas Franchises Tax Forms	Texas State Franchise Tax Return

I will not prepare any tax returns except those identified above, without your written request, and our written consent to do so. I will prepare your tax returns based upon information and representations that you provide to us. I have not been engaged to and will not prepare financial statements. I will not audit or otherwise verify the data you submit to us, although I may ask you to clarify certain information.

I will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service ("IRS") and state and local tax authorities as identified above. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

This engagement is limited to the professional services outlined above.

CPA Firm Responsibilities

Unless otherwise noted, I will perform our services in accordance with the Statements on Standards for Tax Services ("SSTS") issued by the American Institute of Certified Public Accountants ("AICPA") and U.S. Treasury Department Circular 230 ("Circular 230"). It is our duty to perform services with the same standard of care that a reasonable income tax preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. I will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.

I will prepare your tax returns based upon your filing status (single, married filing jointly, married filing separately, head of household or qualifying widow[*er*] with dependent child) as reflected in your income tax returns for last year. If your filing status has changed, you wish to change your filing status, or you have questions about your filing status, please contact us immediately.

Confidentiality

If the tax returns prepared in connection with this engagement are filed using the married filing jointly filing status, both spouses are deemed to be clients of the firm under the terms of this Agreement. Both individuals acknowledge that there is no expectation of privacy from the other concerning our services in connection with this Agreement. My firm is at liberty to share with either of you, without prior consent of the other, documents and other information concerning the preparation of your tax returns.

Bookkeeping assistance

211 S. Main Street
PO Box 1027
Caldwell, TX 77836
Phone: (979) 567-8400
Fax: (979) 567-8433

I may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. These services will be performed solely in accordance with the AICPA Code of Professional Conduct. I will request your approval in writing before rendering these services. **Additional charges will apply for such services.**

Estimated tax payments

You may be required to make quarterly estimated tax payments. I will calculate these payments for the 2018 tax year based upon the information you provide to prepare your 2017 tax returns and have no obligation to update recommended payments after the engagement is completed. **If you ask us to update your estimated tax payments, I will confirm this update in a separate engagement letter and additional charges will apply for such services.**

Tax planning services

Our engagement does not include tax planning services. During the course of preparing the tax returns identified above, I may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, I have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer. **If you ask us to provide tax planning services, I will confirm this representation in a separate engagement letter and additional charges will apply for such services.**

Government inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. **If you ask us to represent you, I will confirm this representation in a separate engagement letter and additional charges will apply for such services.**

Third-party verification requests

I will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. **This information will have to be requested in writing and I will confirm this in a separate engagement letter and additional charges will apply for suck services.**

Client Responsibilities

I will provide you with an income tax organizer (at your request) to help you compile and document the information necessary to prepare your income tax returns. You must complete the income tax organizer (if requested) with accurate and complete information. Income from all sources, including those outside the U.S., is required.

I rely upon the accuracy and completeness of both the information you provide in the income tax organizer and other supporting data you provide in rendering professional services to you.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, and deductions on your returns, as required under applicable tax laws and regulations. You are responsible for the adequacy of all information provided in such documents. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You agree to hold my firm harmless with respect to any additional tax, penalties, interest and professional fees resulting from the disallowance of tax deductions due to inadequate documentation.

Gift Tax Returns

The IRS considers a gift to be any transfer to an individual, either directly or indirectly, where full consideration (measured in money or money's worth) is not received in return. Under federal tax law, certain gifts are taxable and subject to an annual gift tax exclusion amount, which for 2017, is $14,000 per taxpayer. You are responsible for informing us if gift tax returns are required to be filed. If you ask us to prepare these returns, I will confirm this representation in a separate engagement letter.

Personal expenses

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, entertainment, vehicle use, gifts, and related expenses are supported by necessary records required by the IRS and other tax authorities. At your written request, my firm is available to provide you with written answers to your questions on the types of supporting records required.

State and local filing obligations

You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, property or unclaimed property taxes. You agree that I have no responsibility to research these obligations or to inform you of them. If upon review of the information you have provided to us, including information that comes to our attention, I believe that you may have additional filing obligations, I will notify you of this responsibility in writing and ask you to contact us. If you ask us to prepare these returns, **I will confirm this representation in a separate engagement letter and additional charges will apply for such charges.**

U.S. filing obligations related to foreign financial assets

As part of your filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. You are responsible for informing us of all foreign assets, so I may properly advise you regarding your filing obligations.

Foreign filing obligations

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that I have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

Ultimate responsibility

You have final responsibility for your tax returns. I will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS and state and local tax authorities (as applicable). You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879, *IRS e-file Signature Authorization*, and any similar state and local equivalent authorization form before your returns can be filed electronically.

In the event that you do not wish to have your tax returns filed electronically, please contact my firm. Additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

Timing of the Engagement

I expect to begin our services upon receipt of the completed 2017 income tax organizer (if requested) and all documents requested either in the organizer or by our office.

If your federal return is electronically filed, our services will conclude upon the earlier of:

- the filing and acceptance of your 2017 tax returns by the appropriate tax authorities and mailing or delivery of non-electronically filed tax returns (if any) for your review and filing with the appropriate tax authorities,
- written notification by either party that the engagement is terminated, or
- one year from the execution date of this Agreement.

Extensions of Time to File Tax Returns

The original filing due dates for your tax returns are (Individuals) April 15, 2018 or (Businesses) March 15th, 2018 for federal and **Due to the high volume of tax returns prepared by our firm, the information needed to complete the tax returns must be received no later than *(Individuals) March 1st, 2018 or (Businesses) February 1st, 2018* so that the returns may be completed by the original filing due dates.**

It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if I do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations to file a legal action. **All taxes owe are due by the original filing due date.** Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

I are available to discuss this matter with you at your request.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

I rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions may result in the imposition of penalties and interest charges.

Professional Fees

My professional fee for the services outlined above will be based on the amount of time required to prepare the return at the following billing rates:

Danny Koerth, CPA - $150 per hour

Tax CPA Manager - $110 per hour

Tax Support Staff - $75 per hour

A minimum charge of $125 for all individuals' tax returns, $100 per state tax return, $150 for all Business Tax Returns, $100 for all Texas Franchise Returns, and $100 for all Tax Exempt Orgs Tax Returns will be charge for my firm services. The billable hours our based upon the complexity of the work to be performed, and our professional time, as well as the out-of-pocket expenses. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not I prepare the tax returns.

I appreciate the opportunity to be of service to you. Please date and execute the enclosed copy of this Agreement and return it to us to acknowledge your acceptance. I will not initiate services until I receive the executed Agreement.

Very truly yours,

Danny Koerth, CPA, P.C.

Danny Koerth

Danny Koerth, CPA

President

ACCEPTED:

____________________ ____________________

Taxpayer Taxpayer Spouse

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Date

Comments or additional requests:____