

2016 Annual Engagement Letter

PLEASE SIGN & RETURN BOTH PAGES in order for us to begin working on your returns.

Dear client:

We appreciate the opportunity to work with you. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will perform for you.

We will prepare your 2016 federal form 1040 and your resident state and local income tax returns. Please list any additional returns you would like for us to prepare:

It is your responsibility to provide us with all of the information necessary to complete your tax returns. In that regard you state that, to the best of your knowledge and belief:

You have provided us true, correct and complete information regarding amounts you claimed as tax deductions, and have maintained written documentation supporting all amounts, including log books and receipts. You understand that tax authorities may examine the returns, that documentation should be retained to support the information provided to us, especially business travel and entertainment deductions, business use % of autos and other assets, barter activities, and the required documents to support all charitable contributions, and that penalties may be imposed on returns that are late, underpaid, or incorrect.

We will not audit or otherwise verify any information. We may require clarification or additional information. We are not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest.

You understand that you will be charged an additional fee if we are asked to assist or represent you in a tax examination OR INQUIRY. You understand that, in the event of preparer error, you are responsible for additional tax that may be due, but our responsibility is to pay for any penalty that the IRS, state or local taxing authorities may assess, up to, but not to exceed the fee we received to prepare your tax return.

You will contact us immediately if you discover additional information that will lead to a change in your return, or if you receive any letters from the IRS, state or local taxing authorities. Our policy is to put all tax advice in writing, and that you will not rely upon any unwritten advice because it may be tentative, incomplete, or not fully reviewed.

We will use our judgment to resolve questions in your favor where a tax law is unclear or if there is a reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as we find necessary for preparing the income tax returns.

The IRS has provided that an individual taxpayer and his or her spouse, if applicable, may authorize the IRS to discuss the taxpayer's tax return with the individual who signed the taxpayer's return as the return preparer. The authorization is granted by checking the "yes" box in the signature area of the tax return. By checking the "yes" box, you are granting the IRS permission to contact our firm with questions that arise during the processing of your tax return. Our firm's policy is to automatically check the "yes" box. Please note that our firm



may not receive separate copies of IRS notices; therefore, you must provide our firm with copies of any notices you receive from the IRS. The authorization is valid for one year after the due date for filing the tax return.

The Internal Revenue Service and the individual States mandate that we file all eligible returns electronically. Electronic filing will allow you to receive any refunds due at least three or four weeks sooner than a paper filing. You must review and sign the form 8879 before it can be transmitted. Once the return is accepted by the IRS we are not responsible for the length of time it takes the IRS to process your return. Please note that many local returns must still be filed in a paper format.

Our bill will be due and payable upon completion of these returns, and that additional services, including electronically filing your return, will not be performed until the bill for these services is, paid in full. You understand that your bill will be based upon a predetermined amount and communicated to you prior to completion of your returns or by the standard billing rates presented to you.

In the event that we are unable to complete your tax returns before the due date, we may file for an automatic extension of time and complete your return as soon as possible.

Please be aware that Internal Revenue Code Section 7216 now requires us to obtain your separate written consent before disclosing individual tax return information to third parties such as banks and mortgage brokers.

RECORD RETENTION

In accordance with our firm's current document retention policy we will retain our work papers and your tax returns for your engagement for five years. We will provide you a copy of the tax returns and other pertinent work papers that should be a part of your books and records. All of your original records will be returned to you. After five years, our work papers and files will no longer be available. Physical deterioration or catastrophic events may shorten the time during which our records will be available. The working papers and files of our firm are not a substitute for the original records of your company. It is agreed and understood that in connection with the performance of this engagement by Hartlaub Tax & Business Services that the work papers prepared by us shall remain the property of Hartlaub Tax & Business Services.

ATTORNEY FEES

If any disputes arise among the parties, they agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Commercial Mediation Rules. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Commercial Arbitration Rules of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

We appreciate the opportunity to serve you, and look forward to a continuing, mutually satisfying relationship.

Very truly yours,

Hartlaub Tax & Business Services

The terms described in this letter are acceptable and are hereby agreed to and shall remain in effect until terminated by either party in writing.

Taxpayer Signature: _____

Date: _____

Please Print Name: _____

Spouse Signature: _____

Date: _____

Please Print Name: _____