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Goodyear, AZ 85338
623.935.7483

Letter of Engagement for Individual Income Tax Returns (2020 Tax Year)

Valued Client:

We are pleased to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide during the preparation of your income tax return(s).

We will prepare your 2020 joint (or individual, if applicable) federal income tax return, and income tax returns for the state and local taxing authorities in which you deemed yourself a resident in 2020 (collectively, the "returns"). This engagement pertains only to the 2020 tax year, and our responsibilities do not include preparation of any other tax return years that may be due to any taxing authority.

Our Responsibilities

We will prepare the returns from information that you will furnish to us. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. To the extent we render any services, it will be limited to those tasks we deem necessary for the preparation of the returns only. The engagement does not include any services not specifically stated in this letter. Any accounting and/or bookkeeping services will be considered "out of scope" of this engagement letter.

We will not audit or otherwise verify the data you submit. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary to ask you for clarification and substantiation of some of the information you provide, and we will inform you of any material errors, fraud, or other illegal acts that come to our attention.

The term "Due Diligence" when used by the IRS refers to the requirements put upon tax preparers to verify that the taxpayer is accurately reporting information required for the preparation of a tax return. For several years we have been required to complete a questionnaire and provide information about taxpayers eligible for refundable credits and certain filing statuses. Additional questions regarding your individual eligibility for these credits will be documented. We cannot sign nor will we file your individual tax return if we cannot meet the due diligence requirements.

Our engagement includes our e-filing of your returns. We will send you the return for your review together with Form 8879 and any applicable state or local e-filing forms, which you must complete, sign, and return to us. We will not e-file until we have received these forms. In the event that you have an amount due, we will send with the returns a voucher for the amount due. We will not file any paper vouchers nor will we, without written authorization, enroll you in an automatic deposit withdrawal program for electronic payment. You will be solely responsible to file the voucher with payment due with the appropriate taxing authorities. Our engagement begins upon receipt of your 2020 source documents. Our engagement will be satisfied upon delivery of the completed returns to you.

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. We do not communicate with third parties or provide them with copies of tax returns.

Your Responsibilities

Other State and Local Filing Obligations

If you have taxable activity in a state or local municipality other than where you deem yourself a resident, you are responsible for providing our firm with all the information necessary to prepare any additional applicable state and local income tax returns, as well as informing us of the applicable states and local municipalities. If you have income tax filing requirements in a given state or local municipality but do not file that return, there could be possible adverse ramifications, such as an unlimited statute of limitations, penalties, etc.

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 2020, is \$15,000 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, we will confirm this representation in a separate engagement letter.

Virtual Currency Transactions

The IRS considers virtual currency (e.g., Bitcoin, among others) as property for U.S. federal income tax purposes. As such, any transactions in, or transactions that use, virtual currency are subject to the same general tax principles that apply to other property transactions.

If you had virtual currency activity during the tax year, you may be subject to tax consequences associated with such transactions and may have additional reporting obligations. You agree to provide us with complete and accurate information regarding any transactions in, or transactions that have used, virtual currency during the applicable tax year.

Foreign accounts

If you have a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having an aggregate value exceeding \$10,000 at any point during the year in a foreign country, you are required to report such a relationship. Such filing requirements apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). If you fail to disclose the required information to the U.S. Department of the Treasury, the failure to disclose may result in substantial civil and/or criminal penalties.

If you and/or your entity have a financial interest in any foreign accounts, you are required to file the Financial Crimes Enforcement Network (FinCEN) Form 114 that is required by the U.S. Department of the Treasury.

You are responsible for providing our firm with all the information necessary to prepare FinCEN Form 114 required by the U.S. Department of the Treasury. If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required disclosure statements.

Timeliness and Sufficiency of Information

The timeliness of your cooperation is essential to our ability to complete this engagement. Specifically, we must receive sufficient information from which to prepare your returns within a reasonable period of time prior to the applicable filing deadline.

Accordingly, if we do not receive this information from you, as noted above, by March 31, 2020, it may be necessary to pursue extensions of the due date of your returns, and we reserve the right to suspend our services or withdraw from this engagement.

Various penalties and interest are imposed when taxpayers fail to pay the full amount of taxes owed by the filing due date.

Furthermore, additional penalties and interest are imposed when taxpayers fail to remit the proper amount of subsequent year tax estimates. You acknowledge that any such penalties and interest that arise due to the underestimation of current year taxes owed or subsequent year tax estimates remitted are your responsibility, and that we have no responsibility in that regard.

Penalties and Interest

The law provides various penalties that may be imposed when taxpayers understate their tax liability. You acknowledge that any such understated tax, and any imposed interest and penalty thereon, are your responsibility, and that we have no responsibility in that regard. Your returns may be selected for review by the taxing authorities or you may receive a notice requesting a response to certain issues on your tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination or inquiry, we will be available upon request to represent you or respond to such inquiry. At that time, we will provide you with an engagement letter to clarify the nature and extent of services we will provide regarding the tax examination or inquiry response and will render additional invoices for these services and any expenses incurred.

Books and Records

You are responsible for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions, all of which will, among other things, help assure the preparation of proper returns. Furthermore, you are responsible to review all of the information presented on your tax return for correctness.

Substantive determinations

We may encounter instances where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In those instances, we will communicate each of the reasonable alternative courses of action, including the risks and consequences of each such alternative. In the end, we will adopt, on your behalf, the alternative that you select after having considered the information provided by us.

Pursuant to standards prescribed in IRS Circular 230 and IRC §6694, we are forbidden from signing a tax return unless we have a reasonable belief that there is substantial authority for a tax position taken on the return, or unless we have a reasonable belief that there is a reasonable basis for the tax position taken on the return and we disclose this tax position on a separate attachment to the tax return. Substantial authority is generally viewed by tax professionals as requiring at least a 40% probability that the tax position taken will be sustained on its merits. However, under no circumstances may we sign a tax return with a tax position that has no reasonable basis.

Privilege

Federal law has extended the attorney-client privilege to some, but not all communications between a client and the client's tax professional. The privilege applies only to non-criminal tax matters that are before the Internal Revenue Service or brought by or against the U.S. government in a federal court. The communications must be made in connection with tax advice. You must request that the information you will provide be privileged before providing us with the information. Communications solely concerning the preparation of a tax return will not be privileged.

Fees

Our fees for this engagement are not contingent on the results of our service. Rather, our fees for this engagement will be based on a number of factors, including, but not limited to, the time spent and the complexity of the services we will perform. In addition, you agree to reimburse us for any out-of-pocket costs incurred in connection with the performance of our services. **All fees must be paid prior to filing.** We reserve the right to suspend our services or withdraw from this engagement. If we elect to terminate our services, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your return. You will be obligated, through the date of termination, to compensate us for all outstanding invoices as well as our final invoice, and to reimburse us for all of our out-of-pocket costs. For these purposes, any nonpayment, inability to sign the tax return, or non-response by you of information requested (among other things) will constitute a basis for our election to terminate our services.

Retention of Documents

You should retain all the documents and other data 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. Unless you otherwise advise us, your signature below also confirms that you have the necessary documentation under Code §274 for the business gift, travel, entertainment, and related expenses claimed. It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement; those documents will be returned to you promptly upon completion of the engagement.

Jointly Filed Returns

If the income tax returns we are to prepare in connection with this engagement are joint returns, and because you will each sign those returns, then each of you is our client. You each acknowledge that there is no expectation of privacy from the other concerning our services in connection with this engagement, and we are at liberty to share with either of you, without the prior consent of the other, any and all documents and other information concerning preparation of your returns.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us, as set forth above, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

In the event that we become obligated to pay any judgment under a court proceeding, an award under any mediation proceeding, or penalty assessed by any taxing authority in our capacity as a tax preparer, you agree to pay any amount in settlement, and any costs incurred as a result of any inaccurate or incomplete information that you provided to us during the course of this engagement. You agree to indemnify us, defend us, and hold us harmless against such obligations, agreements, and/or costs.

You agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation, and that you will engage in the mediation process in good faith once a written request to mediate has been given by either party to the engagement. Any mediation initiated as a result of this engagement shall be administered by a law firm specializing in the mediation process, not associated with either party, and selected by us, according to its mediation rules. Any ensuing litigation shall be conducted within the County of Maricopa, State of Arizona, according to Arizona state law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee charged by us, and paid by you, for the services set forth in this engagement letter.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

You agree that notwithstanding anything to the contrary herein, your domicile, or the location at which this agreement shall be signed, this contract of engagement shall be deemed to have been entered into at our office located at 15655 W Roosevelt St. Suite 101 Goodyear, County of Maricopa, State of Arizona and any dispute arising under this contract or matters relating to it shall be interpreted, governed, and resolved exclusively by the laws of the State of Arizona.

You agree that you shall defend, indemnify and hold harmless Desert Edge Tax & Accounting Services, LLC. ("Company" and its officers, directors, employees, agents, successors and permitted assigns from and against all Losses arising out of or resulting from any third party claim, suit, action or proceeding (each, an "Action") arising out of or resulting from:

(a) Bodily injury, death of any person or damage to real or tangible, personal property resulting from the willful, fraudulent or negligent acts or omissions of the Company or Company personnel; and (b) Company's breach of any representation, warranty or obligation of Company set forth in this Agreement; and (c) The use of the income tax returns for any purpose other than filing with the respective tax authority

If, after full consideration and consultation with counsel, if so desired, you agree to authorize us to prepare your personal income tax returns pursuant to the terms set forth above, please execute this letter on the line(s) below designated for your signature(s), and return the executed letter to this office. You should keep a copy of this fullyexecuted letter for your records. If this firm does not receive from you this letter, in fully executed form, but receives from you a completed copy of the client questionnaire and/or supporting documentation, then such receipt by this office shall be deemed to evidence your acceptance of all of the terms set forth above and we will commence with the tax return preparation process. HOWEVER, UNDER NO CIRCUMSTANCES SHALL WE SIGN A COMPLETED TAX RETURN OR PREPARE AN EXTENSION UNTIL WE RECEIVE FROM YOU THIS SIGNED ENGAGEMENT LETTER. If this office receives from you no response to this letter, then this office will not proceed to provide you with any professional services, and will not prepare your income tax returns.

Sincerely,

Desert Edge Tax & Accounting Services, LLC.

ACCEPTED AND AGREED:

Printed Name of Taxpayer

Signature

Date

Printed Name of Spouse (if applicable)

Signature

Date