



DEFAULT TERMS OF ENGAGEMENT

Last revised: December 31, 2016

Our standard policy is to provide each client with a "Letter of Engagement" specifying, for example, the tax year in question, tax form(s) to be prepared, estimated level of effort required, etc.

Such letters are important to communicate a clear understanding of the tasks involved, the likely effort required, and the delineation of rights and responsibilities between us and the client.

It is important to note that Engagements are finite - they have a definite commencement (generally on receipt of the signed Letter of Engagement and receipt of the requested deposit) and a definite conclusion (e.g., delivery of the return(s) for submission to the taxing authority, or our withdrawal from Engagement). In any case, Engagements are not "evergreen" and must be renewed for each significant, discrete project.

However, in the event a client does not receive - or does not sign and return to us - such a letter, but nevertheless acknowledges and authorizes our Engagement by conspicuous outward appearances (e.g., providing us with information relevant to the Engagement, exchanging mail or electronic correspondence with us pertinent to the Engagement, reviewing / approving draft returns, paying our invoices related to the Engagement, etc.), the following default provisions will apply even where a specific Letter of Engagement is either not provided or not properly executed and returned to us (although the below is tax-return oriented, the same principles apply to all Engagements provided by Allgen Tax and Consulting LLC).

Actual Letters of Engagement supersede the Default Terms to the extent they are in conflict.

General

To assist in the Engagement and to complete it in a timely manner, we will rely on your cooperation in providing requested information, keeping us apprised of changes in facts and circumstances that affect the Engagement and the payment of our fees in a current and timely manner.

Professional Fees

With respect to our charges for professional services, many factors are taken into account in quoting the professional fees, including the time expected, nature, and complexity of the work performed, and the results achieved for you by the firm.

Our normal hourly rates range from \$150 - \$200.

We normally request deposit as a condition precedent to our Engagement.

In the discharge of our responsibility, it may be necessary for us to incur expenses for various items such as mileage, filing fees, delivery services, and computerized professional research. Therefore, in addition to the professional fees described above, you will be responsible for the current and timely payment of all out of pocket expenses, which may be estimated.

Terms of Payment

Invoices are due on receipt; progress bills may be issued from time to time and work may be suspended if invoices become past due. We reserve the right to apply late charges equal to 1.5% per month or portion thereof on past due amounts.

Timing of Engagement

We plan to provide services beginning as soon as possible after receipt of all the requested information and the initial deposit, if any. Conclusion of Engagement occurs upon the delivery of the work product or the termination of the Engagement, if earlier.

Our Engagement will automatically terminate one year from the date of commencement of work, if not otherwise terminated (e.g., by delivery of financial statements, withdrawal from representation, etc.).

Disengagement

You will provide requested information, documentation, and explanations on a timely basis. If you do not comply with this requirement or any of the terms of this Engagement, as outlined herein, we reserve the absolute right to disengage without completing the Engagement. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet government and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages (including, but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of our service. No work product will be issued if we disengage voluntarily or involuntarily prior to completion of the Engagement in whole or in part. All workpapers are the property of Allgen Tax and Consulting, LLC.

Completion Deadlines (Tax Engagements)

You agree that in the event your tax return(s) cannot be completed by the original due date, it will be necessary to apply to extend such due date. Specifically, unless we have all necessary information at least **21 calendar days** prior to a deadline, you agree that

we may extend your return(s) and cannot be responsible for penalties, interest, or other consequences of the extension. Applying for an extension of time to file may extend the time available for a taxing authority to undertake an audit of your return (may extend the statute of limitations). Additionally, extensions may affect your liability for penalties and interest or compliance with government deadlines.

- An extension of time to FILE generally does NOT extend the time to PAY any tax that may be due.

If your return is electronically filed, our services will be concluded upon the earlier of the filing and acceptance of your tax returns (as specified under "Scope of Engagement", above) by the appropriate taxing authorities or one year from the execution of date of this letter. You will be asked to verify and sign a completed Form 8879-PE, IRS e-file Signature Authorization, and state equivalent authorization form if applicable, before your returns can be filed electronically.

- You are responsible for reviewing the accuracy of all tax returns and any accompanying schedules and statements prior to filing.

If your return is filed by mail, our services will be concluded upon the earlier of delivery to you of your tax returns for your review and filing with the appropriate taxing authorities or one year from the commencement of Engagement.

Client Records Retention

In accordance with our established client records retention policy (a complete copy of which is available on request), we will retain copies of the records you have supplied us along with our workpapers for this Engagement. Our workpapers and Engagement files, specifically including any copies of your records, are our property and will be retained by us in accordance with our established records retention policy. Our workpapers and Engagement files will eventually be destroyed pursuant to this policy. If you provide us with original records pursuant to this Engagement, all such will be returned to you at its conclusion.

Physical deterioration or catastrophic events may shorten the time during which our records will be available. As a consequence, our workpapers and Engagement files are not a substitute for the original records you should maintain.

Client Responsibilities (Tax Engagements)

You will provide us with a trial balance and other supporting data needed to prepare your tax returns. It is your obligation to provide us with accurate and complete information, including worldwide income.

You are responsible for verifying the accuracy of both the allocation of partnership income per the terms of the partnership or other operating agreement and the partnership income calculations used in the preparation of the tax returns.

Unless we are otherwise advised, you are responsible for confirming that personal expenses, if any, are segregated from business expenses and expenses such as meals, travel, entertainment, vehicle use, gifts, and related expenses, are supported by necessary records required by the IRS and other taxing authorities. At your request, we are available to answer your questions and advise you on the types of supporting records required.

You acknowledge your responsibility to inform us of any bartering transactions, listed transactions or transactions of interest designated by the IRS. You agree to hold us harmless with respect to any additional taxes, penalties, or interest imposed on you by taxing authorities resulting from your failure to timely notify us, in writing, of all such transactions in order to facilitate the timely preparation and filing of your tax returns.

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 tax law. You are responsible for the adequacy of all such documents. You represent that you have such documentation and can produce it, if needed, to respond to any audit or inquiry by taxing authorities. You agree to hold us harmless with respect to any additional taxes, penalties, or interest imposed on you by taxing authorities resulting from the disallowance of tax deductions due to inadequate documentation.

You are responsible for determining your state or local tax filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, or property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. If upon review of the information you have provided us and other information that comes to our attention, we believe you may have an obligation to file additional tax returns, we will notify you. If you ask us to prepare these returns, we may confirm this in a separate Engagement letter and delineate the additional charges for this service.

It is your responsibility to inform us if you directly or indirectly hold any interest or signatory authority in any assets located in a foreign country and / or whether you have any foreign partners.

Based upon the information which you provide, this information will be used to calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include Form FinCen 114a, Report of Foreign Bank and Financial Accounts ("FBAR"). Failure to file required forms can result in the imposition of both civil and criminal penalties, which can be significant. These are not tax returns and their preparation is not within the scope of this Engagement. If you ask us to prepare these forms, we may confirm this in a separate Engagement letter and delineate the additional charges for this service.

You are responsible for complying with any other country's reporting requirements. It is beyond our scope to address taxes administered by foreign jurisdictions and have no responsibility to discuss these issues with you.

If you provide our firm with copies of brokerage (or investment advisory) statements, we will use the information from these statements solely in connection with the preparation of your tax returns. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. We will not monitor investment activity, provide investment advice, or supervise the actions of the entity or individuals performing investment activities on your behalf. We recommend you review all brokerage (or investment advisory) statements promptly and carefully, and direct any questions regarding activities on your account to your broker (or investment advisor).

- You have final responsibility for your tax returns. Check them carefully for accuracy and completeness before you sign them.

Loss-Limiting and Indemnification

Our liability for all claims, damages and costs arising from this Engagement is limited to the total amount of fees paid by you to us for the services rendered under this agreement. Any claim arising out of this Agreement shall be commenced within one year of the delivery of the work product to the client.

We will correct clerical, mathematical, scrivener's and other such errors without further cost to you if, and only to the extent such are communicated to us in writing within 90 days from the conclusion of this Engagement. After 90 days, normal rates in effect at that time will apply and a separate Letter of Engagement will not be issued or considered necessary.

You agree to hold us and our partners, heirs, executors, personal representatives, successors, and assigns harmless from any and all claims which arise from knowing misrepresentations to us by you, or the intentional withholding or concealment of information from us by you. You also agree to indemnify us for any and all claims made against us by third parties arising from actions by you.

"Best Efforts" Representation

This Engagement will be rendered on a "best efforts" basis. We cannot be held responsible for taxes, penalties, interest, etc. that may be assessed by any taxing authority (e.g., Internal Revenue Service, Florida Department of Revenue, etc.) where the information provided to us by you is inaccurate, incomplete, or inadequately supported with appropriate documentary evidence in your possession.

Furthermore, we cannot be held responsible for taxes, penalties, interest, etc. that may be assessed by any taxing authority where:

- the taxing authority disagrees with a valid (or not patently invalid) position on a tax return we prepare for you

- where we believe you have a non-frivolous basis to support an appeal, protest, lawsuit, etc., but you decline to appeal, protest, file suit, etc. for any reason whatsoever, or
- the taxing authority prevails in any such appeal, protest, lawsuit, etc. but the decision against you is rendered in an arbitrary and capricious manner

In other words, we cannot be held responsible for outcomes that are beyond our control. We simply cannot guarantee all taxing authorities will accept all tax positions we might recommend, even where we believe we have adequate support for such positions, though we always do our best to minimize the likelihood of negative outcomes.

Responsibility for Detecting Fraud and Illegal Acts

This Engagement will not include any procedures designed to detect fraud, theft or illegal acts and you agree that we will have no responsibility to do so. However, we will inform you of any fraud or illegal acts that come to our attention, unless they are clearly inconsequential.

Use of Subcontractors

In our sole discretion, we may employ the use of qualified subcontractors in this Engagement. We limit this to matters within an Engagement not clearly requiring our particular expertise (e.g., data entry), as a way to decrease turnaround time and your overall fee. Your personal and confidential information will be shared with that subcontractor only as much as necessary to perform the Engagement.

Electronic Data Communication and Storage and Use of Third Party Service Provider

In the interest of facilitating our services, we may communicate by facsimile transmission, send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your company may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require all of our third-party vendors to do the same. You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this Engagement.

Electronic Copies Only to be Provided (Tax Engagements)

As authorized by Regs. §1.6107-1(a)(2), we will provide only electronic copies to you of tax returns we prepare under this Engagement. If you require a hard (paper) copy, we will happily provide with at least 7 business days advance written notice. A modest processing fee may apply.

Venue and Governing Law

We agree that the courts of the State of Florida, County of Orange have jurisdiction over the parties and all disputes between us. We agree to submit all disputes accordingly, as the proper and most convenient venue for resolution. We also agree that the law of the State of Florida shall govern all disputes.

Savings Clause

In the event that any portion of this Engagement letter is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Engagement agreement.