

Rumbold Tax Advisory

17461 Irvine Boulevard, Suite G ♦ Tustin CA 92780
Phone: 714-425-7202 ♦ Fax 714-242-1888 ♦ E-mail: jrumbold@rfta.biz

ENGAGEMENT LETTER – TRUST OR ESTATE TAX PREPARATION

You have hired this firm to assist you with the preparation of your Federal and State income tax returns for your trust or estate. For the preparation of these returns, you will be charged a fee according to the types of returns we prepare and the complexity of those returns (forms and entries). You may also be charged a fee for consultation on tax planning or preparation and for accounting and bookkeeping work. An estimate of your fees will be given on request but you understand that an accurate estimate cannot be offered before all of your information is gathered and the tax return is completed. The fees are due and payable at the time your returns are completed. In some cases a retainer deposit may be necessary prior to providing services. We will supply you with one copy of each return and, if you choose not to have us E-file your returns, one copy of each return for filing.

As your tax professional, we will prepare the returns using information the trustee, executor or administrator (fiduciary) supplies and applying the tax law to the best of our ability. It is not our responsibility to verify your deductions or exemptions or audit your tax return. Should you be audited, the tax agency will require you to support your deductions. You agree that you have provided us with all requested documents and will answer all of our questions fully so that we can properly prepare your returns. If you are claiming a deduction for auto, travel, entertainment or other such expenses, you need to have written records to substantiate these deductions. You agree that you are responsible for keeping all documents (receipts, cancelled checks, and information statements) necessary for the preparation of your tax returns and copies of your tax returns for any possible future examination by the taxing authorities.

Please note that we will not determine the completeness or accuracy of the information supplied by the fiduciary and the assistance we do provide is not to be construed as an oversight function, in any respect, of the trust's or estate's accounting system; therefore, there should be no reliance, stated or implied, by the trust or estate on the accuracy of the assistance we are to provide. As a result of our assistance, we may propose standard, adjusting, or correcting journal entries to the financial statements. The fiduciary, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries on the returns. Furthermore, it is the trust's or estate's responsibility, once these entries have been agreed to, to post the entries to its accounting system in a timely manner.

Any additional services not referenced above will be considered "out of scope" of this engagement letter. Prior to the commencement of "out of scope" services, we will discuss the nature and extent of the work and provide a subsequent engagement letter that clarifies these services.

The timeliness of the fiduciary's cooperation is essential to our ability to complete this engagement. Specifically, we must receive sufficient information from which to prepare the returns within a reasonable period of time prior to the applicable filing deadline. Accordingly, if we do not receive this information, as noted above, by March 1, it may be necessary for us to pursue extensions of the due date of the returns, and we reserve the right to suspend our services or withdraw from this engagement.

Note: Information to prepare information returns (W-2, 1099-MISC, etc.) if included in this engagement is due to us by January 15 for filing on or before January 31. Extensions for these information return filing are not available and penalties may apply for late filings.

We reserve the right to charge priority fees for documentation supplied after the above due dates.

Various penalties and interest are imposed when taxpayers fail to pay the full amount of taxes owed by the filing due date without extensions. Furthermore, additional penalties and interest are imposed when taxpayers fail to remit the proper amount of subsequent year tax estimates. Based on information the trust or estate provides to us, we can assist in determining the correct amount of taxes owed for the current year and subsequent year tax estimates. The fiduciary acknowledges that any such penalties and interest that arise due to the underestimation of current year taxes owed or subsequent year tax estimates remitted is its own responsibility, and that we have no responsibility in that regard. If you would like information on the amounts or the circumstances of these penalties and interest, please contact us.

If trust or estate has a financial interest in, or signature authority over, bank accounts, securities, or other financial accounts have a value exceeding \$10,000 in a foreign country at any time during the tax year, you are required to file

Rumbold Tax Advisory

Form 114a with the U.S. Department of the Treasury by April 15 for the prior tax year. Extensions of this deadline are permitted to October 15. 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). For example, a trust-owned foreign account would require filings by the trust and by the fiduciary with signature authority. 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. You are responsible for providing our firm with all the information necessary to prepare Form 114a required by the U.S. Department of the Treasury.

Anything you tell us to prepare your tax return is confidential, but not protected by any attorney-client privilege. If at any time we feel that you require legal advice, we will advise you to consult with an attorney.

Tax law is sometimes unclear and subject to different interpretation. A position taken on your tax return may be disputed by the tax authorities even though it meets the standards for tax return positions described in the Federal Regulations. We will take a position favorable to your interests whenever the facts and circumstances justify it, but not without your prior consultation. We are not responsible for any tax, interest or penalties that may be assessed as a result of a position taken which is successfully challenged by the tax authorities. We require that aggressive positions be disclosed to the taxing authorities on the appropriate form.

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, the trust or estate agrees to compensate us 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 or similar award, the trust or estate agrees to pay any amount in settlement, and any costs incurred as a result of any inaccurate or incomplete information that the fiduciary provided to us during the course of this engagement. The trust or estate agrees to indemnify us, defend us, and hold us harmless against such obligations, agreements, and/or costs.

The trust or estate agrees 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 it 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 Orange, California, according to California 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 services, 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 the trust or estate obtains shall be limited in amount, and shall not exceed the amount of the fee charged by us, and paid by the trust or estate, 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.

This agreement covers only the preparation of your trust or estate income tax returns. We are not hired to represent you in an audit of any tax return or for the collection of any tax that might be due. If you wish representation before any of the tax agencies, a separate agreement will be prepared and a separate fee arrangement will be quoted.

This agreement does not cover any trust or estate engaged in the cannabis marketplace; cultivation, manufacture, distribution, retail or otherwise.

Rumbold Tax Advisory

If you do not pay the fee or your check is returned for insufficient funds and we have to take collection action to collect my fees, any and all costs of collection, including any attorneys' fees that we incur, will be added to the final amount to be collected. Any fees outstanding at the time you pick up your return shall be charged a finance fee of 1.5% per month after 15 days.

If, after full consideration and consultation with counsel if so desired, the trust or estate agrees to authorize us to prepare the tax returns pursuant to the terms set forth above, please execute this letter on the line below designated for signature by an officer, and return this executed letter to this office along with all supporting documentation requested therein. The trust or estate should keep a copy of this fully executed letter for its records. If this firm does not receive from the trust or estate this letter, in fully executed form, but receives supporting documentation requested therein, then such receipt by this office shall be deemed to be evidence of the trust's or estate's acceptance of all of the terms set forth above and we will commence with the tax return preparation process.

Tax and Information Returns: _____

Type or return to be prepared:

- Simple Trust (all income to be distributed in current year)
- Complex Trust
- Decedent's Estate
- Other Trust or Estate _____

I have read and agree to the terms of this engagement agreement.

Trust or Estate Legal Name:

Fiduciary Signature

Title

Date

Printed Name

I personally attest that I have the authority to sign this engagement agreement as the fiduciary noted above.

Officer Signature

Date



John Rumbold for Rumbold Tax Advisory