

2023 ENGAGEMENT LETTER – GIFT TAX FORM 709

Note: Please sign and return this letter so we may begin preparing your tax return.

Dear Valued Client:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the tax services we will provide. Please read this letter carefully as it is important you understand and accept the terms under which we have agreed to perform our services, as well as management's responsibilities under this agreement.

Tax Services

We will prepare Form 709, United States Gift Tax Return, for the year ended December 31, 2023, from the information that you furnish to us. We will make no audit or other verification of the data you submit, although we may ask you to clarify or elaborate some of the information. We are not preparing any returns other than those listed above or giving any tax planning services.

By your signature below, you are confirming that you will furnish us with all the information required for the preparation of the return and that unless we are otherwise advised, the related values are supported by the necessary records required under the Internal Revenue Code. If you have any questions as to the type of records required, please ask us for advice in that regard.

In preparing the gift tax return, we will not independently determine values, except where the values could be determined by reference to market quotations contained in *The Wall Street Journal* or other equally reliable sources. As we are not business or real estate appraisers or valuers, all valuation services will be performed by qualified third parties. You acknowledge and agree that you will be solely responsible for selecting the third-party appraisers or valuers. You further agree that we may rely on the values determined by said third-party appraisers or valuers in preparing the gift tax returns and that we shall not be liable for any damages that may result from the use of said values in the event they are not accepted by the relevant taxing authorities.

We will use our professional judgment in preparing your return. 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 share our knowledge and understanding of the possible positions that may be taken on your return. We will adopt whatever position you request on your return as long as it is consistent with our professional standards. If you desire a legal opinion before choosing among alternative tax positions, legal counsel should be separately retained for this purpose. We will work with you and your chosen legal counsel to the best of our abilities in giving you whatever information we have that may help you in your decision. You have the final responsibility for positions taken on the return. If a taxing authority should later contest the position taken, there may be an assessment of additional tax, interest, and possible penalties. We assume no liability for any such assessment of additional tax, penalties, or interest. In the event, however, that you ask us to take a tax position that in our professional judgment will not meet the applicable laws and standards as promulgated, we reserve the right to stop work and shall not be liable for any damages that occur as a result of ceasing to render services.

Your return is subject to examination by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the information shown on the tax return. We are not responsible for Internal Revenue Service calculation of values nor for resulting taxes, penalties, and interest.

2023 Engagement Letter – Gift Tax Form 709, continued

It is important for you to know that the law provides for a penalty to be imposed when taxpayers make a substantial understatement of their tax liability. Any items resolved against you by the examining agent are subject to certain rights of appeal. If an examination is made, we may be available to represent you if you so desire. Such additional services are not included in our fee for preparation of your return and the additional services and fees will be covered in a separate engagement letter.

Tax laws and the interpretations of the laws continually change as a result of acts of Congress, court decisions, and Treasury interpretations. The changes occasionally are given a retroactive effect. The retroactive changes could result in an improperly filed return and/or negate planning efforts. You should be aware of this because the result might be that an amended return is required. An amended return, if required, would be the subject of a separate engagement.

By your signature below, you understand and agree that you are responsible for the accuracy and completeness of the records, documents, explanations, and other information provided to us for purposes of this engagement. You have the final responsibility for the gift tax return and, therefore, you should review it carefully before you sign and submit it to the appropriate taxing authorities.

Fees

We are responsible for preparing only the returns listed above. Our fee does not include responding to inquiries or examination by taxing authorities. However, we are available to represent you. Our fees for such services are at our standard rates and would be covered under a separate engagement letter.

In addition, in the event our firm or any of its employees or agents is called as a witness or requested to provide any information whether oral, written, or electronic in any judicial, quasi-judicial, or administrative hearing or trial regarding information or communications that you have provided to this firm, or any documents and workpapers prepared by Brush Bernard LLP in accordance with the terms of this agreement, you agree to pay any and all reasonable expenses, including fees and costs for our time at the rates then in effect, as well as any legal or other fees that we incur as a result of such appearance or production of documents.

Other Matters

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

In addition, the confidentiality privilege can be inadvertently waived if the contents of any privileged communication are discussed with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing any privileged information to a third party. As a corporation, you need to be especially careful about privileged communications. If a communication is made in the presence of a corporate employee who is not authorized to act or speak for the corporation in relation to the communication's subject matter, then the communication will be deemed to be made in the presence of a third party and any privilege will be waived.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged.

2023 Engagement Letter – Gift Tax Form 709, continued

In connection with this engagement, we may communicate with you or others via email transmission. We take reasonable measures to secure your confidential information in our email transmissions. However, as emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered to and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized use or failed delivery of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

We may from time to time, depending on the circumstances and nature of the services we are providing, share your confidential information with third-party service providers, some of whom may be cloud-based, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality terms with all service providers to maintain the confidentiality of your information and will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure appropriate confidentiality terms with a third-party service provider, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Although we will use our best efforts to make the sharing of your information to such third parties secure from unauthorized access, no completely secure system for electronic data transfer exists. As such, by your signature below, you understand that the firm makes no warranty, expressed or implied, on the security of electronic data transfers.

The following applies to those of you who provide us with QuickBooks files to prepare your return: For the limited purpose of preparing the above-mentioned tax returns, you have provided us with your monthly QuickBooks files. By your signature below, you understand that we are not responsible for the accuracy and completeness of your company's books and records. Accordingly, we will not advise you regarding the proper recording or appropriateness of the underlying transactions in your QuickBooks files.

It is our policy to keep records related to this engagement for 7 years. However, Brush Bernard LLP does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. It is your responsibility to retain and protect your records (which includes any work product we provide to you as well as any records that we return) for possible future use, including potential examination by any government or regulatory agencies. Brush Bernard LLP does not accept responsibility for hosting client information; therefore, you have the sole responsibility for ensuring you retain and maintain in your possession all your financial and non-financial information, data, and records.

By your signature below, you acknowledge and agree that upon the expiration of the 7-year period, Brush Bernard LLP shall be free to destroy our records related to this engagement.

Because of the importance of oral and written management representations to the effective performance of our services, you release and indemnify our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by management and its representatives.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

2023 Engagement Letter – Gift Tax Form 709, continued

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of California. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, 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. The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

If the foregoing is acceptable to you, please complete and sign the last page of this letter in the space provided and return to us. **Please note that you are affirming to your understanding of, and agreement to, the terms and conditions of this engagement letter by any one of the following actions: returning your signed engagement letter to our firm; providing your income tax information to us for use in the preparation of your returns; the submission of the tax returns we have prepared for you to the taxing authorities; or the payment of our return preparation fees.**

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

**PLEASE ACKNOWLEDGE AND AGREE TO THIS ENGAGEMENT LETTER
BY SIGNING THE FOLLOWING PAGE.**

We cannot begin preparation of your tax return until we receive the signed engagement letter.

2023 Engagement Letter – Gift Tax Form 709, continued

If the foregoing fairly sets forth your understanding, please sign below and return this letter to our office, so we may begin preparing your tax return.

Regards,

Brush Bernard LLP

Certified Public Accountants

Signature: _____

Date: _____

Print name: _____

Signature: _____

Date: _____

Print name: _____

PLEASE SIGN AND RETURN

We cannot begin preparation of your tax return until we receive the signed engagement letter.

Email: leah@brushbernard.com

Fax: 707-433-4123

Mail: 101 W. North Street, Healdsburg, CA 95448