

**TAX PREPARATION ENGAGEMENT LETTER
TAX YEAR 2020**

Please Read and Sign



Dear Client:

As a service to you in preparing your 2020 Tax Return, it is our policy to provide you with a tax engagement letter. The purpose of this letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. In defining our arrangement we are better prepared to respond to your specific tax needs and to deliver your return in a timely manner.

LEXINGTON FINANCIAL AGREES TO PROVIDE THE FOLLOWING TAX SERVICES:

- ✓ Tax Return Preparation – Federal, California and if applicable other state income tax return.
- ✓ Tax Planning and Consulting Services – Upon your request we can review and analyze your tax status and assist you through an evaluation process.
- ✓ Tax Return Examination and Review – If appropriate and/or required by taxing authorities.

ENGAGEMENT AGREEMENT

Article I. TAX RETURN PREPARATION

We understand that you will provide us with the basic information and documents as noted in the attached packet, which are required to prepare your income tax returns. The information provided by you will not be audited or verified. The accuracy of the information will be your responsibility. We shall assume responsibility to prepare accurate and timely income tax returns using supplied information.

We will pursue specific tax issues, which are brought to our attention as being of particular concern or tax issues that involve complex areas in which the proper tax treatment is uncertain. On uncertain and complex tax issues, we will assist you in evaluating the risks and rewards associated with the position ultimately determined to be most beneficial in your circumstances. Tax return preparation often involves the application of conflicting authorities and interpretations that present varying possibilities of tax challenge. Opinions of various tax personnel and of various courts are often conflicting. Judicial and legislative thought is subject to continual change. Therefore, our only guarantee is to use our very best efforts to help you arrive at the lowest legal tax liability.

If there are any penalties caused by errors made by this firm, (and not as a result of a choice by the taxpayer to pursue an aggressive stance on a matter about which the client was informed of the potential challenge), Lexington Financial, Inc. will pay the penalties associated with any additional tax due. The tax liability and any interest (as the client had the use of the funds) on those taxes remain the client's responsibility. Additionally, Lexington Financial will not be responsible for any errors caused by inaccurate information that has been provided to us orally. We will only be held responsible for the accuracy of data that has been provided to us in written form.

The filing deadline for the tax returns is April 15, 2021. In order to meet this filing deadline, we must receive your information in substantially complete form by April 1.

If an extension of time to file is required, we will use the information available to us at the time to prepare the extension. To prepare a valid, accurate extension, we need as much information as is available. **We also need your express approval to file the extension on your behalf. An extension, however, only provides you with an extension to file, not an extension to pay. Taxes paid after April 16 will result in penalties and interest.**

If a joint return is prepared, tax returns and copies of all supporting documentation will be made available to either spouse without the consent or notification of the other spouse.

You are responsible for reporting foreign activities. By signing this letter you acknowledge that you will inform us if you have income from foreign sources or if you have signatory authority over any foreign account. If you are unsure whether income or an account is foreign, we will review it. **Note that the penalties for failure to report foreign activities are severe.**

We generally retain, for seven years, the final work product generated for our clients. After the retention period, the documents are destroyed. We do not keep original documents — they are returned to you after completion of the returns. It is your responsibility to retain your records for possible future use, including possible examination by the taxing authorities.

Article II. TAX PLANNING

As specifically requested and agreed to by you we will provide tax planning and consulting services and review your current tax status as deemed necessary by you. We will then assist you in evaluating the risks and rewards associated with the position ultimately determined and any tax savings actions that may be taken which may be most beneficial in your circumstances. The fees for tax planning are not included in the tax preparation fees and will be billed separately.

TAX RETURN EXAMINATION

All tax returns are subject to review by taxing authorities. Any items that may be resolved against you by an examining agent are subject to certain rights of appeal. To take full advantage of these rights, we should review all adjustments before their acceptance by you. As you so request, we will assist you with respect to inquiries and examinations made by the tax authorities. The fees for such representation are not included in the tax preparation fees and will be billed separately.

FEES FOR TAX PREPARATION

Our fees for tax preparation services are based on the amount of time required at our standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation. Tax returns will not be filed electronically until fees are paid. New clients may be required to pay a retainer fee before we begin work.

ARBITRATION OF FEES, PENALTIES AND INTEREST

You and Lexington Financial, Inc. both agree that any dispute over fees charged by us to you or penalties and interest assessed on tax liabilities in excess of \$2,500 will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration will be binding and final. 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.

Section 2.01 Mediation

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules, before resorting to litigation. The costs any mediation proceeding shall be shared equally by all parties.

Section 2.02 Acceptance and Approval

If there are any questions regarding your understanding of the scope of our mutual responsibilities as outlined above, please contact us. If you agree with our understanding as to the scope of our services, please sign this letter

The foregoing is in accordance with my understanding of the terms of your engagement to perform services. (Please print your name and date and signature below as your acceptance to this agreement). If this is a joint return, both spouses must sign.

<p>Acceptance</p> <p>Signature: _____</p> <p>Print Name: _____</p> <p>Date: _____</p>	<p>ASK ABOUT OUR:</p> <ul style="list-style-type: none">Prepaid Audit ServiceIRS Audit & Collection RepresentationTax Planning for Stock OptionsCorporate TaxSmall Business ConsultingNotary ServicesFinancial Advisory ServicesWealth ManagementRetirement PlanningEstate PlanningInsurance
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