



December 31, 2022

Dear _____,

This letter will serve to confirm our understanding whereby our firm has been retained by you, the trustee of a trust or personal representative of an estate, in connection with tax services to be rendered to the above-entitled trust or estate. The Colorado state and federal income tax returns, worksheets, and any other documents prepared by us in connection with this assignment will be submitted directly to you. It is agreed that this assignment includes the following work to be done by us. We will prepare the 2022 federal and Colorado (and/or any other related states that you inform us you need to prepare) fiduciary income tax returns for the above-mentioned trust or estate from information you provide.

Your tax return is due April 18, 2023. In order to make sure we meet this deadline, we must have all of your tax information by **March 1, 2023**. You agree that in the event your return cannot be completed by the due date, it will be necessary for us to apply for an extension. You may be subject to late filing or late payment penalties.

You are confirming that you will furnish us with all the information required for preparing the returns. This includes, but is not limited to, providing us with the information necessary to identify (1) all states and foreign countries in which the trust "does business" or derives income (directly or indirectly), and (2) the extent of business operations in each relevant state and/or country. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of it, or furnish us with additional data. You should retain all the documents, books, and records that form the basis of income and deductions. The documents may be necessary to prove the accuracy and completeness of the returns to a taxing authority. If you have any questions as to the type of records required, please ask us for advice in that regard.

Please note that the Internal Revenue Service (IRS) considers virtual currency (e.g., Bitcoin) as property for US federal 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 there was virtual currency activity during the 2022 tax year, there may be tax consequences associated with such transactions, and there may be additional foreign 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. Please ask us for advice if you have any questions regarding the type of records required for virtual currency transactions.

We will use our professional judgment in preparing your returns. Given the magnitude of the economic tax relief provisions the US stimulus packages have contained, as well as some new concepts introduced in the law, additional stated guidance from the Internal Revenue Service, and possibly from Congress in the form of technical corrections on certain income tax provisions may be forthcoming. We will use our professional judgment and expertise to assist you given the guidance as currently promulgated at the time our services are rendered. Subsequent developments issued by the applicable tax authorities may affect the information we have previously provided, and these effects may be material. 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. In accordance with our professional standards, we will follow whatever position you request, as long as it is consistent with the codes, regulations and interpretations that have been promulgated. 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.

306 South Third Montrose, CO 81401 Phone (970) 249-7973 Fax (970) 249-7826
candwcpas.com

If a taxing authority should later contest the position taken, there may be an assessment of additional tax, interest and 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.

The law provides for a penalty to be imposed where taxpayers make a substantial understatement of their tax liability. Taxpayers may seek to avoid all or part of the penalty by showing (1) that they acted in good faith and there was reasonable cause for the understatement, (2) that the understatement was based on substantial authority, or (3) there was a reasonable basis for the position taken on the return and the relevant facts affecting the item's tax treatment were adequately disclosed on the return. You agree to advise us if you wish disclosure to be made in your return or if you wish for us to identify or perform further research with respect to any material tax issues for the purpose of ascertaining whether, in our opinion, there is "substantial authority" for the position proposed to be taken on such issues in your return.

Our work in connection with the preparation of the trust tax returns does not include any procedures designed to discover fraud, defalcations, or other irregularities, should any exist.

If you and/or your entity (includes estates and trusts) have a financial interest in, or signature authority over, any foreign accounts, you may be subject to certain filing requirements with the U.S. Department of the Treasury, in addition to the IRS. Filing requirements may also 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).

The filing deadline for the Report of Foreign Bank and Financial Accounts (FBAR) required by the U.S. Department of the Treasury is April 15th and follows the federal income tax due date guidance, which notes that if the tax due date falls on a weekend or legal holiday, the form is considered timely filed if filed on the next business day. An automatic 6-month extension is available. Electronic filing of the FBAR is mandatory using the Bank Secrecy Act (BSA) e-filing system for the Financial Crimes Enforcement Network (FinCEN). We must receive a signed consent form from you prior to submitting the foreign reporting form. If we do not receive your signed authorization to file your foreign reporting form, we will not be able to file any of the required disclosure statements on your behalf.

Additionally, the IRS requires information reporting on foreign interests or activities under applicable IRC sections and related regulations, and the respective IRS tax forms are due when your income tax return is due, including extensions. The IRS reporting requirements are in addition to the U.S. Department of the Treasury reporting requirements stated above. Therefore, if you have any direct or indirect foreign interests that require disclosures to the IRS, you must provide us with the information necessary to prepare the applicable IRS forms.

Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the IRS may result in substantial civil and/or criminal penalties. By your signature below, you agree to provide us with complete and accurate information regarding any foreign accounts that you and/or your entity may have had a direct or indirect interest in, or signature authority over, during the above referenced tax year. The foreign reporting requirements are very complex, so if you have any questions regarding the application of the U.S. Department of the Treasury and/or the IRS reporting requirements to your foreign interests or activities, please ask us for advice in that regard. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

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 income tax returns and, therefore, you should review them carefully before you sign them. You agree that our firm is not responsible for a taxing authority's disallowance of deductions or inadequately supported documentation, nor for resulting taxes, penalties, and interest.

This firm is responsible for preparing only the returns listed above. All other returns and forms are to be prepared by you or under separate written engagement letters.

You will be billed according to the complexity of your tax return. Estimates of our fees will be provided upon request. If during the preparation of your tax return we determine your fee will significantly exceed our initial estimate, you will be notified. An invoice will be given to you with your tax return. We expect payment at time of delivery. Exceptions will only be made for those who make arrangements with our office prior to delivery. Interest of 1.5% per month will be charged on overdue balances. If it becomes necessary for us to incur collection fees, those fees will be paid by you.

Engagement Letter

Our fee does not include responding to inquiries or examinations 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 Campbell and Watson, CPAs, PC 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.

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 and 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 with 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.

It is our policy to keep records related to this engagement for seven years. However, Campbell and Watson, CPAs, PC 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. Campbell and Watson, CPAs, PC 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 seven-year period, Campbell and Watson, CPAs, PC shall be free to destroy our records related to this engagement.

Because of the importance of oral and written 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 you and your 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.

Fiduciary and accountant both agree that any dispute over fees charged by the accountant to the trustee 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 Colorado. 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.

Engagement Letter

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. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Campbell and Watson, CPAs, PC

Accepted:

Name of Trust or Estate

Signature

Date

Request Date Form - Extensions (Fiduciary)

Check the appropriate box and circle the date you would like to receive your tax return. Sign and return with your tax information.

**The date you select is the latest date we will contact you with final questions related to your tax return, not the date it will be e-filed!
We will honor these requested dates as long as you have provided complete information and respond to our questions in a timely manner**

Keep in mind if we prepare another tax return for you (e.g. S-Corp, LLC, etc), we'll have to have that information by its deadline.

If you provide all of your information to us between January 2 - March 1, please check this box and circle one of the following dates:

Jun 7 Jun 12 Jun 14 Jun 19 Jun 21 Jun 26 Jun 28
Jul 10 Jul 12 Jul 17 Jul 19 Jul 24 Jul 26 Jul 31
Aug 2 Aug 7 Aug 9 Aug 14 Aug 16 Aug 21 Aug 23 Aug 28 Aug 30
Sep 6 Sep 11 Sep 13 Sep 18 Sep 20 Sep 25 Sep 27
Oct 2

If you provide all of your information to us between March 2 - April 18, please check this box and circle one of the following dates:

Jul 10 Jul 12 Jul 17 Jul 19 Jul 24 Jul 26 Jul 31
Aug 2 Aug 7 Aug 9 Aug 14 Aug 16 Aug 21 Aug 23 Aug 28 Aug 30
Sep 25 Sep 27
Oct 2 Oct 4

If you provide all of your information to us between April 19 - May 31, please check this box and circle one of the following dates:

Jul 26 Jul 31
Aug 2 Aug 7 Aug 9 Aug 14 Aug 16 Aug 21 Aug 23 Aug 28 Aug 30
Sep 25 Sep 27
Oct 2 Oct 4 Oct 9

If you provide all of your information to us between June 1 - July 19, please check this box and circle one of the following dates:

Aug 16 Aug 21 Aug 23 Aug 28 Aug 30
Oct 2 Oct 4 Oct 9 Oct 11

If you provide all of your information to us between July 20 - September 15, please check this box and circle one of the following dates:

Oct 11 Oct 16

If you provide your information after September 15, we may not be able to complete your income tax return by the October 15 deadline.

Signature _____