

ENGAGEMENT LETTER

This letter is to confirm our understanding of the terms of our income tax engagement and to clarify the nature and limitations of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your 2012 Federal, Oregon, and other requested state individual income tax returns from information that you will furnish us. Enclosed is a tax organizer and questionnaire to guide you in gathering the necessary information. Your use of such forms will assist in keeping pertinent information from being overlooked.

We will not audit or otherwise verify the data you submit, although it may be necessary to request clarification of some of the information.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, cancelled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. Be aware that the taxing authorities may, in some cases, conduct an audit of your income tax return as much as six years after you file the return. You may wish to consider retaining all of the records upon which you rely for your tax return for a period of at least six years. If you have any questions as to the type of records required, please ask us for advice in that regard. **You have the final responsibility for the income tax returns and, therefore, you should carefully review them before you sign and approve them for filing.**

The completion of our tax services will be performed in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. We will use our professional judgement in resolving questions where the applicable tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In accordance with our professional standards, we will follow whatever position you request on your return so long as it is consistent with the codes and regulations and interpretations that have been promulgated.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. Briefly stated, our services for this engagement do not involve our performing any services designed to detect theft, embezzlement, or other financial fraud. However, should we find any irregularities or unusual items we will bring them to your attention. We will render such accounting and bookkeeping assistance as we find necessary for preparing the income tax returns. If we discover errors or omissions on a prior year return, we will bring that to your attention if we believe they are material.

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 and our fees for such services are at our standard rates and would be covered under a separate engagement letter.

If you send us all the required information to prepare your returns by March 15, 2013, in most cases your returns will be completed by April 15, 2013. If we have not received all of your information by March 15, 2013, your returns may be placed on extension. If an extension of the time is required, any tax due with these returns should be paid with that extension. Any amounts not paid by the filing deadline may be subject to interest and late payment penalties. The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or the circumstances of these penalties, please contact us.

Our communications with you may be by mail, telephone, facsimile, email or through our Firm's new client portal system called ShareFile. If you object to receiving confidential information in any of these forms, please let us know in writing. If you use encryption on your email and want us to do that as well, please provide us with the information needed to comply with your request. If you have requested electronic delivery of your tax returns, they will be delivered to an email address of your choosing utilizing our ShareFile portal.

In accordance with our record retention policy, we keep our workpapers for seven years. We destroy them after that period, unless we earlier receive a request to place a "litigation hold" on workpapers and records relating to your engagement. By signing a copy of this letter, you agree to notify us before the expiration of seven years after the date of this letter. If you would like us to place a "litigation hold" on the records and workpapers pertaining to this engagement, please inform us in writing prior to the expiration date of the seven year retention policy. However, Kuenzi & Company LLC does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

Fees for our services will be at our regular tax return billing rates and policies. Payment for services is due when rendered, and interim billings may be submitted as work progresses. Invoices are due and payable when issued. A finance charge of 1.5% per month will be charged on all accounts over 30 days past due. We reserve the right to stop work on any account that is 60 days past due, in accordance with our Firm's stated collection policy.

If any dispute arises among the parties, we both agree first to try in good faith to settle the disputes by mediation administered by an association such as the American Arbitration Association (AAA) under its Rules for Professional Accounting and Related Services Disputes. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of an association such as the AAA. Fees charged by any mediators, arbitrators, or an association such as the AAA shall be shared equally by all parties.

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, you agree to compensate us at our standard tax return billing rates 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, agree to pay any amount in settlement, and/or incur any costs as a result of any inaccurate or incomplete information that you provide to us during the course of this engagement, you agree to indemnify us, defend us, and hold us harmless as against such obligations, agreements, and/or costs.

If the foregoing fairly sets forth your understanding, please sign this letter in the space indicated and return it to our office with your tax organizer. It is important that you keep a copy for records. Please note that this letter applies to your 2012 individual income tax returns. If there are other tax returns you expect us to prepare, such as gift and/or property, please inform us by noting so below.

We want to express our appreciation for this opportunity to work with you.

Sincerely,

KUENZI & COMPANY LLC

Certified Public Accountants - Business Consultants

Accepted by: _____

Date: _____

Comments or additional requests: _____
