



125 2ND AVE W | DICKINSON, ND 58601 | 701-483-1122 | F: 701-483-1123 | www.hr-pc.com

Client Names: _____

We are pleased to confirm our understanding of the arrangements for your income tax return(s). This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both our firm and you that you understand what you can and cannot expect from our work. In other words, we want you to know the limitations of the services you have asked us to perform. If you are confused at all by this letter or believe we have misunderstood what you need, please call to discuss this letter before you sign it.

The Internal Revenue Service imposes penalties on taxpayers, and on us as return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

Hoerner Rodakowski, PC ("the accounting firm" or "the firm") will prepare your 2014 Federal Individual Tax Form 1040 and related schedules solely from information you furnish us. The firm will not audit, review, compile or otherwise verify the data you submit although we may ask you to clarify some of the information. The firm may furnish you with tax organizers and questionnaires to help you gather and organize the necessary information for us in order to keep our fee to a minimum.

The firm is responsible for preparing the returns listed specifically in this letter. If you have taxable activity in a state other than those listed, you are responsible for providing our firm with all the information necessary to prepare the returns for any additional applicable state(s) or local income tax returns as well as informing us of the applicable states. Any additional federal or state income, sales, use, property, gift, trust, or estate tax returns will not be prepared by us unless listed below. If you have tax filing requirements in a given state but do not file that return, there could be adverse ramifications such as an unlimited statute of limitations, fines, penalties, etc. If you would like the firm to investigate to determine each state where you have an income tax filing requirement please inform us.

If you have derived income from a foreign country, we will use the foreign country income information which you provide to calculate any applicable federal or state foreign tax credit or other affected federal or state income tax items. However you are responsible for meeting any foreign country income tax or other foreign country reporting requirements. If you have amounts in excess of \$10,000 invested in a foreign country, the IRS requires that you disclose this on Form 1040. Without your notification of such investments we will assume that you do not have any amounts invested over \$10,000 outside of the United States.

You may request the firm to perform additional services not contemplated by this engagement letter. If this occurs we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services will necessitate that we amend this letter or issue a separate engagement letter to reflect the obligations of both parties. In absence of written communications from us documenting such services, our services will be limited to and governed by the terms of this engagement letter.

Your return may be selected to be audited by the relevant taxing authority. Our fee does not include responding to inquiries or examination by taxing authorities. However we may be available to represent you in an audit. Our fees for representing you in an audit would be at our standard rates, subject to the terms of a separate engagement letter, outlining the details of those services.

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. If you have any questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing and mailing them to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for the resulting taxes, penalties and interest. We will rely, without further verification, upon information you provide to us from 3rd parties including, but not limited to, K1's, 1099's, 1098's, receipts and similar items.

We will use our professional judgment in preparing your returns. 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 explain the possible positions that may be taken on your return. We will adopt whatever position you request on your return so long as the position, in our professional judgment, is consistent with the codes, regulations and interpretation that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

We will not voluntarily disclose information communicated to us by you during the course of this engagement, unless we first receive your specific, written authorization to do so. Please expect to provide written authorization before we release any of your confidential information.

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 we incur, including legal fees, that result from our attempts to protect any communication as privileged. In addition, your confidentiality privilege can be inadvertently waived by discussing the contents of any privileged communication with a third party, such as lending institutions, a friend, or a business associate. We recommend you contact us before releasing information to a third party.

It is our policy to keep records related to this engagement for a length of time consistent with the periods of time set forth in North Dakota Century Code section 43-02.2-18. This may be as short as three years from the date your return is filed, after which the records may be destroyed. If you should need copies of the records in your file, notify us within three years of the date your return was filed and we will provide them to you. We do 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. Prior to each tax filing season we send client organizers to most of our clients as a convenience to assist them with gathering their tax information. If you move or do not wish to receive an organizer, please notify us or we will send the organizer to the address we used on your prior year's tax return.

From time to time during our relationship, you may seek our advice with regard to potential investments. We are not investment advisors unless specifically and in writing by separate agreement hired for that purpose. Accordingly, we suggest that you seek the advice of qualified investment advisors appropriate to each investment being considered. Unless otherwise specifically agreed to in a separate engagement letter or in a written addendum or amendment to this engagement letter signed by the parties, we will not advise you regarding the economic viability or consequences of an investment or whether you should or should not make a particular investment.

Billings become delinquent if not paid within 30 days of the invoice date. If billings are not paid within 60 days of the invoice date, at our election, we may stop all further work until your account is brought current, or we will withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of ceasing to render services. Our services will conclude upon delivery of the completed income tax returns discussed above or upon our suspension of services or resignation from the engagement.

In recognition of relative risks and benefits of this agreement to both the client and the accounting firm, the client and the accounting firm have discussed and have agreed on fair allocation of risk between them. As such, the client agrees, to the fullest extent permitted by law, to limit the liability of the accounting firm to the client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to the client shall not exceed the accounting firm's total fee for services rendered under this agreement. The client and the accounting firm intend and agree that this limitation apply to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period, in which to bring a claim against the accounting firm for errors and omissions. The one-year period will begin upon the date of the tax professional's signature on the tax returns covered by this engagement letter.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on the heirs, successors, and assigns of you and us.

We appreciate the opportunity to serve you. Please date and sign the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and terms of this engagement. It is our policy to initiate services after we receive the executed engagement letter. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement shall be affected and all other provisions shall remain in full force and effect.

Sincerely,

Hoerner Rodakowski, PC

I have read the above terms of the engagement letter and agree with the terms of this engagement.

Client Signature

Date

Client Signature

Date

States or Additional Tax Returns to be filed will also include:

