



The Harris-Ward Group

Home Of See English Accounting & Tax Service

GENERAL TERMS AND CONDITIONS OF ENGAGEMENT

The following policies apply to our performance of services on behalf of our clients, unless other arrangements are made in writing.

Compliance with IRS Regulations. The Internal Revenue Code and regulations impose preparation and disclosure standards. Noncompliance penalties may be imposed on both the tax return preparer and the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures in the tax return concerning positions taken in the return that don't meet these standards. Accordingly, we will discuss tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement and you agree to compensate us for our services to the date of withdrawal. The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us. Otherwise, we will require a signed Power of Attorney in order to communicate on your behalf with the tax agency.

It is a criminal offense to omit from your tax return income that you received (whether or not it has been reported by those who paid you), or **to report more income than you received**, and it is a criminal offense **to omit expenses or to report more deductible expenses than you incurred** (deductible expenses are any and all outlays necessary and customary in your field of work). **It is also a criminal offense to deliberately (or with negligent disregard of the rules) fail to file a tax return.** Your returns will be prepared SOLELY from the information YOU provide. We cannot tell you HOW MUCH or WHAT income or expense to report.

Information you provide us outside the Tax Appointment (e.g., for Tax Planning or other Business Consultation) is **PRIVILEGED** – you can forbid us to reveal it to IRS or other government agency, and it is not subject to subpoena (*except under criminal investigation*). **Information you provide during the Tax Appointment is Confidential** (we can't divulge it to third parties), **but not PRIVILEGED**, and we must disclose it to IRS or other government agency when requested. Any requests to share confidential information to any party other than a government agency will require your signed consent (*with your original signature(s)*).

Privacy Policy. This is being furnished to you as required by the Gramm-Leach-Bliley Act of 1999, which addresses in part the protection of individuals' privacy. This is the annual notice required by law.

It has long been the policy of our firm to treat any information concerning our clients and former clients with strict confidentiality. Consistent with that policy, we restrict access to nonpublic personal information concerning you to staff members who must have it in order to provide you the products and services for which you have retained us. We do not disclose any personal or confidential information to anyone else without your express permission to do so, except as permitted by law. In addition, we maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. We may disclose any nonpublic personal information that we collect about our customers or former customers to our affiliates or to non-affiliated third parties as permitted by law.

You understand that we make no representation, warranty or promise, and offer no opinion, with respect to the applicability of any confidentiality privilege to any information supplied or to any communications you have with us, and you agree that we shall have no liability to you should the privilege be determined not to apply to particular information or communications.

As part of performing services, including the preparation of tax returns, we may communicate with others, and you hereby authorize that communication. When applicable under the Internal Revenue Code or otherwise, we will obtain your specific consent prior to disclosing information, and you agree to execute such other documents or forms as may be necessary to document the granting of such consent.

Record Retention Policy. In accordance with our firm's current record retention policy, we will retain our work papers and copies of your financial reports and other records for the engagement for up to four calendar years after the calendar year in which the work was performed. At the end of the engagement we will return your original records as well as copies of all returns, reports, or other records developed during the engagement that are directly part of the engagement process. If you should need replacements, we will provide them in Acrobat (.pdf) format. Paper copies may be provided subject to a service charge determined at the time of your requests.

Physical deterioration or catastrophic events may shorten the term during which our records will be available. The working papers and files of our firm are not a substitute for your original records. It is agreed and understood that in connection with the performance of our engagement, the work papers prepared by us will remain our property.

Past Due Invoices. Payment for services is due when fees have been determined and presented (which may be at the time of an initial meeting or at the conclusion of work). Amounts that have not been paid within 30 days from the invoice date will be subject to a late payment charge of 1.5% per month (18% per year). If for any reason the account is turned over to an outside agency or attorney for collection, an additional charge equal to the collection costs (i.e., agency fees, attorney fees, court costs, etc.) will be added.

If you fail to adhere to these payment arrangements, we reserve the right to suspend work until the account is brought current, require additional security, or terminate and/or revise the terms and conditions of the engagement.

If we are required to resort to judicial proceedings to collect or recover from you any monies which may be due to us in respect of any engagement, whether for our fees, costs and expenses advanced or incurred by us on your behalf, or otherwise, we shall also be entitled to collect and recover from you in such proceedings all costs and expenses incurred by us in the prosecution of such proceedings, including the reasonable attorneys' fees and expenses of our counsel in such proceedings.

Deposits. We reserve the right to request an appropriate deposit as security for payment of our fees and other charges. This deposit, unless it is applied to outstanding invoices, will be held by us as security for your payment of our invoices. In the event the deposit is utilized to cover any unpaid invoices, we reserve the right to require that the deposit be replenished. Any unapplied balance remaining from the deposit at the conclusion of a project after payment of all invoices will be promptly returned.

Estimates. Although we may from time to time respond to a client request for an estimate of the amount(s) of fees and/or costs and expenses that may be incurred in an engagement, or on a particular task or undertaking in furtherance of an engagement, such estimates, even though given by us in good faith and on the basis of our best judgment when given, are inherently inexact and are always subject to unforeseen contingencies and changed facts and/or circumstances. Accordingly, we cannot and will not be bound by any such estimates, and will not, except to the extent that we may expressly agree in writing at the time such estimate is given, limit our compensation to the amount(s) of any such estimates.

Communication. Communications between clients and The Harris Ward Group LLC may be by mail, e-mail, facsimile (fax), and telephone. All forms of communication are equally valuable. However, in order to minimize miscommunication we prefer mail, fax, or e-mail; telephone communications may be confirmed by e-mail to provide an "audit trail" for verification.

We use encrypted e-mail to send information that includes any Personally Identifiable Information (PII). The service we use will also provide encrypted replies.

If there are limitations on how you would like us to communicate with you in connection with this engagement, please advise us of your preference(s) as to acceptable methods of communication. For example, some methods of communication, such as facsimile transmissions or e-mail correspondence may not be convenient for some clients or may be considered to compromise confidentiality or otherwise present greater risk of interception than other methods of communication. We will make every reasonable effort to accommodate your expressed preferences in that regard. However, unless you notify us to the contrary (in writing), we will assume that you agree and consent to our communication with you by facsimile transmission and/or e-mail correspondence, as well as by telephone, regular mail and/or overnight courier services, as appropriate to the circumstances.

With respect to e-mail communications to us, you should be aware that, in order to reduce spam e-mail and prevent viruses from entering our computer network, we may utilize computer software and engage the services of an independent third-party contractor or contractors to filter our incoming e-mail correspondence. This filtering process may result in certain incoming e-mail correspondence to us (i.e., that identified as spam or suspected of having a virus) being quarantined (thus, potentially not received at our site at all) and/or delayed in reaching us. For this reason, we cannot be certain that we will receive all e-mail correspondence and/or that we will receive it in a timely manner. Therefore, if you need to communicate particularly important or time sensitive material to us, you should consider sending such communications via means other than e-mail.

Limitations of Claims. The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between us. We both agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute that may arise between us, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any dispute must be commenced as provided below, or the party with any claim shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within the shorter of these periods ("Limitations Period"):

- For tax return preparation, within thirty-six (36) months after the date when we deliver the tax returns to you, regardless of whether we provide other services for you, whether or not relating to those returns.
- For tax planning engagements or general business services, within thirty six (36) months from the date of billing for the services in respect of which a claim is made.
- For all engagements, within twelve (12) months from the date when you terminate this or any other engagement of our services.

The applicable Limitations Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

Assignment. Our rights and interest under this engagement agreement shall be freely assignable and transferable.

Limitation on Damages. As additional consideration for us to provide you these services, you agree that the extent of our liability for damages to you for any actions taken will not exceed the total amount actually paid by you for our services. You agree that this will be your only remedy and you hereby waive any other claims you have now or in the future for actual, incidental, and consequential damages, including, but not limited to, lost profits and third party claims.

Any controversy or claim arising out of or relating to this contract or engagement, or breach thereof, except actions by us to enforce payment of our professional invoices, shall be settled by arbitration administered by the American Arbitration Association under its Arbitration rules for Professional Accounting and Related Services Disputes, and must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. In the event of arbitration or other claim brought against us, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee charged by us, and paid by you, for the services set forth in this engagement letter. In no event will we be responsible for any additional tax that may be assessed against you or any interest or penalty that may be assessed against you with respect to such additional tax.

WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY FOR ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SERVICES PROVIDED UNDER THIS AGREEMENT.

The laws of the State of IL shall govern this engagement agreement. If any controversy, dispute or claim arising out of the services rendered pursuant to this engagement is not settled by mutual agreement or arbitration, we both designate and consent to Cook County, IL, as the venue for resolution of any such disputes, regardless of the location of the residence or business of a party to this agreement.