

REBECCA TUCKER CPA

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We are pleased to provide you with the professional services described below. This letter and any other attachments incorporated herein (collectively, "Agreement"), confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Engagement Objective and Scope

We will prepare the following federal and state tax returns for the year ended December 31, 2022:

Form 1120S

Income Tax Return for an S Corporation

Texas Franchise Tax Report
&
Public Information Report

We will not prepare any tax returns except those identified above, without your written request, and our consent to do so. We will rely upon the completeness and accuracy of the information and representations that you provide to us to prepare your tax returns. We have not been engaged to and will not prepare financial statements. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service ("IRS") and applicable state and local tax authorities. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS, state and local tax authorities regardless of the nature of the claim, including the negligence of any party, excepting claims arising from the gross negligence or intentional wrongful acts of Rebecca Tucker, CPA.

Our engagement does not include any procedures designed to detect errors, fraud, theft, or other wrongdoing. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls. You are responsible for developing and implementing internal controls applicable to your operations.

This engagement is limited to the professional services outlined above.

CPA Firm Responsibilities

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services ("SSTS") issued by the American Institute of Certified Public Accountants ("AICPA") and U.S. Treasury Department Circular 230 ("Circular 230"). It is our duty to perform services with the same standard of care that a reasonable income tax preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.

Rebecca Tucker, CPA will not make management decisions or perform management functions on your behalf.

Arguable Positions

We will use our professional judgement to resolve questions in your favor where a tax law is unclear, provided that we have a reasonable belief that there is substantial authority for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of tax reference materials. Tax reference materials include, but are not limited to, the Internal Revenue Code ("IRC"), tax regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings, court cases, and similar state and local guidance. If the IRS, state,

or local tax authorities later contest the position you select, additional tax, penalties, and interest may be assessed. You will be responsible for these amounts, as well as any related professional fees, you may incur to respond to the tax authority.

Bookkeeping Assistance

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. These services will be performed solely in accordance with the AICPA Code of Professional Conduct. Additional fees will apply and will be subject to the terms of this agreement.

Prior Year Review

Our review of the prior year's tax return will necessarily be limited and may not find all errors. We will, however, bring to your attention any errors that we do find, similarly, if you become aware of any information impacting prior year tax returns, please contact us. If an error or information impacting prior year tax returns is discovered by you or us, we will discuss resolution options with you. Additional fees will apply if you ask us to prepare amended tax returns, and we agree.

Estimated Tax Payments

You may be required to make quarterly estimated tax payments in the tax jurisdictions noted in the *Engagement Objective and Scope* section of the agreement. We will calculate these payments for the 2023 tax year based upon the information you provide to prepare your 2022 tax returns (the "safe harbor" rule). Updating recommended quarterly estimated payments to more closely reflect your actual current year's income is not within the scope of this engagement.

Tax Planning Services

Tax planning services are not within the scope of this engagement. However, during the period covered by this Agreement, you may ask questions, or we may, at our sole discretion, bring to your attention potential tax planning opportunities for your consideration. Prior to proceeding with any additional services, we will confirm our understanding of the scope of the additional services with you. Additional fees will apply.

Government Inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, we will confirm this engagement in a separate agreement. Additional fees will apply.

Reliance on others

There may be times when another tax advisor is engaged to assist us in providing services. If you wish to take a tax position based upon the advice of another tax advisor, we must comply with Circular 230, §10.37(b) and AICPA SSTS No. 1 and related Interpretations 1-1 and 1-2, which require the position to meet the "realistic possibility," "substantial authority," or "more likely than not" standard, as applicable. You agree to obtain a written statement from the advisor confirming the standard that should apply so the position may be properly disclosed. If additional research or disclosure is required, you agree to pay for the additional charges necessary to complete the disclosure or research. Moreover, you understand that the IRS, state or local tax authority could disagree with the position taken on the return. If this occurs, you will be responsible for any additional tax, penalties and interest, as well as any related professional fees, you may incur.

Client Responsibilities

You will provide us with a trial balance and other supporting data necessary to prepare your tax returns. You must provide us with accurate and complete information. Income from all sources, including those outside of the U.S., is required to be reported.

On-line Access to Information

To the extent you provide our firm with access to electronic data via a local or online database from which we will download your trial balance or other information, you agree that the data is accurate as of the date and time you authorize it to be downloaded.

Changes in Ownership

You are responsible for advising us of any changes in ownership so we can properly reflect these on the tax returns.

Tax Basis Schedules

The S Corporation return discloses the historical and adjusted balances in the Accumulated Adjustment Account (AAA), Other Adjustments Account (OAA) and Accumulated Earnings and Profits (E&P). AAA, OAA and E&P, in addition to tax basis schedules for shareholders, are necessary in order to determine the shareholder's ability to deduct losses, calculate the gain on the sale of an S Corporation interest, and for other calculations. As a result, properly calculating these accounts is necessary for preparation of shareholder tax returns. Unless told otherwise, we will rely upon the historical balances disclosed on last year's tax return. If these balances cannot be relied upon and you ask us to prepare this analysis, and we agree to do so, we will confirm this service in a separate agreement. Additional fees apply.

S Corporation Shareholder Agreements

You should review your corporate buy-sell agreement and other stock agreements with your attorney to ensure these documents meet your goals for the transfer of corporate stock.

S Corporation Election

You are responsible for retaining a copy of your S Corporation Election and/or the IRS's acceptance of it.

Salaries and Wages for S Corporation Shareholders

You are responsible for determining the appropriate salary or wage to pay shareholders. If the IRS determines that the S Corporation made distributions in lieu of an appropriate shareholder salary or wage, the IRS may reclassify the payments. As a result of the reclassification, the shareholder and S Corporation may be responsible for employment taxes on the reclassified amounts in addition to penalties and interest. You will be responsible for any liability including but not limited to, additional tax, penalties, interest and professional fees resulting from changes to S Corporation shareholder salaries and wages.

S Corporation Distributions

Distributions should be made to shareholders on a per share, per day basis. If distributions were not made proportionately, the IRS may take corrective action, including potentially revoking the entity's S Corporation election, which may result in unfavorable tax consequences. As such, it is your responsibility to ensure that shareholder distributions are made on a pro-rata basis.

Schedule K-1 Distribution

You are responsible for distributing a copy of the S corporation's Schedule K-1s to each shareholder.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. Our records are not a substitute for yours. You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your returns, as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it if necessary, to respond to any audit or inquiry by tax authorities. You will be responsible for any liability, including but not limited to, additional tax, penalties, interest and professional fees resulting from the disallowance of tax deductions due to inadequate documentation.

Personal Expenses

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, vehicle use, gifts and related expenses are supported by necessary records

required by the IRS and other tax authorities. At your request, we are available to provide you with answers to your questions on the types of supporting records required. Additional fees will apply.

State and Local Filing Obligations

You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to, income, franchise, sales, use, property taxes or abandoned and unclaimed property. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you. You acknowledge that the scope of our services under this Agreement does not include any services related to your compliance with filing obligations other than those identified in the Engagement Objective and Scope section of this Agreement. If you ask us to prepare any other returns, and we agree, we will confirm this engagement scope separately. You will be responsible for penalties associated with the failure to file or untimely filing of any form for which we were or were not engaged to prepare.

U.S. Filing Obligations Related to Foreign Investments

Based on the information you provide, you may have additional filing obligations including but not limited to:

- Ownership of or an officer relationship with respect to certain foreign corporations (Form 5471);
- Foreign-owned U.S. corporation or domestic disregarded entity (Form 5472);
- Foreign corporation engaged in a U.S. trade or business (Form 5472);
- U.S. transferor of property to a foreign corporation (Form 926);
- U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A);
- U.S. person with interests in a foreign partnership (Form 8865);
- U.S. person with interests in a foreign disregarded entity (Form 8858); or
- Statement of specified foreign assets (Form 8938).

You are responsible for informing us of all foreign assets owned directly or indirectly, including but not limited to financial accounts with foreign institutions, other foreign non-account investments, and ownership of any foreign entities, regardless of amount. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS, state and local tax authorities regardless of the nature of the claim, including the negligence of any party, excepting claims arising from the gross negligence or intentional wrongful acts of Rebecca Tucker, CPA.

Failure to timely file the required forms 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 investments that you have a direct or indirect interest in, or over which you have signature authority, during the above referenced tax year.

The foreign reporting requirements are very complex. If you have any questions regarding the application of the reporting requirements for your foreign interests or activities, please ask us. You will be responsible for penalties associated with the failure to file or untimely filing of any of these forms.

Foreign Filing Obligations

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

Digital assets

There are specific tax implications of investing in digital assets (e.g., virtual currencies such as Bitcoin, non-fungible tokens, virtual real estate and similar assets). The IRS considers these to be property for U.S. federal income tax purposes. As such, any transactions in, or transactions that use, digital currency are subject to the same general tax principles that apply to other property transactions.

If you transacted in digital assets during the tax year, you may have tax consequences and/or additional reporting obligations associated with such transactions. You agree to provide us with complete and accurate information

regarding any transactions in, or transactions that have used, digital assets during the applicable tax year. If you have any questions regarding your digital assets and/or transactions, please ask us, and we will respond in writing.

Employment Records

You are responsible for obtaining Form I-9, Employment Eligibility Verifications, from each new employee at the time of employment. In addition, Federal Form W-4, Employee's Withholding Allowance Certificate, and the applicable state equivalent should be retained for all employees. Failure to obtain these forms may subject an employer to penalties. Additional state requirements related to employment records may exist. At your request, we are available to provide answers to your questions on required documentation. Additional fees will apply.

Worker Classification

You acknowledge and confirm that you, in consultation with other professional advisors, as needed, are responsible for determining the correctness of any worker classification. Payroll tax withholding and related employer payroll tax implications result from this determination. We cannot advise you with respect to worker classification and will rely upon your determination of same.

We recommend obtaining a signed contract and signed Form W-9, Request for Taxpayer Identification Number and Certification, or Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (individuals), from all independent contractors. You should provide all independent contractors with both forms and let them determine which form (W-9 or W8BEN) that reflects their status.

You should also issue a Form 1099-NEC, Nonemployee Compensation, to all unincorporated domestic independent contractors to whom you pay \$600 or more for services. For those who provided a completed Form W-8BEN, a Form 1042-S must be issued to individuals if any payment is made from U.S. sources that would be deemed to be fixed or determinable annual or periodical income or other types of income included in the instructions, even if these payments are subject to a reduced income tax withholding rate or are exempt from income tax withholding due to an income tax treaty. In addition, state rules should also be reviewed to determine if state taxes are required to be withheld and separate returns completed for any independent contractor. At your request, we are available to provide answers to your questions on required documentation. Additional fees will apply.

Some of these filings are due as early as January 31, 2023, with significant penalties assessed for late filing, non-filing and filing of incorrect information. Preparation of these forms is not within the scope of this Agreement. If you ask us to prepare these forms, and we agree, we will confirm this engagement in a separate written agreement. If you fail to adhere to the filing deadlines, you will be responsible for any penalties, interest and related professional fees for the improper filing.

Ultimate Responsibility

You have final responsibility for the accuracy of your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS, state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879-S, *IRS e-file Signature Authorization for Form 1120S*, and any similar state and local equivalent authorization form before your returns can be filed electronically.

In the event that you do not wish to have your tax returns filed electronically, please contact our firm. Additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

Timing of the Engagement

Our services will conclude upon the earlier of:

- the filing and acceptance of your 2022 tax returns by the appropriate tax authorities and mailing or delivery of non-electronically filed tax returns (if any) for your review and filing with the appropriate tax authorities, except for the calculation of quarterly estimated tax payments which services will conclude upon delivery of each recommended estimated tax payment,
- written notification by either party that the engagement is terminated, or
- one year from the execution date this Agreement.

Extensions of Time to File Tax Returns

It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may limit your ability to make certain elections, extend the time available for a government agency to undertake an audit of your return and/or may extend the statute of limitations to file a legal action. If we apply for an extension of time to file, you agree to hold our firm harmless from any consequences arising from any election waived. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

Each year, we will file an extension of your prior year business returns, if prepared by our office, even if you have not contacted our office. If you **DO NOT** want us to file these extensions each year, please submit to our office in writing.

We are available to discuss this matter with you at your request.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations including failure to file or late filing of returns, and underpayment of taxes. You will be responsible for the payment of any additional tax, penalties, and interest charges imposed by tax authorities.

We appreciate the opportunity to be of service to you. Please date and execute this Agreement and return it to us to acknowledge your acceptance. We will not initiate services until we receive the executed Agreement.

Very truly yours,



Rebecca Tucker, CPA

ACCEPTED:

Company Name

Representative Signature, Title

Date