

Kerry Thompson & Co., PS

Tax, business consulting, IRS representation

January 10, 2018

Dear Client,

We are pleased to provide you with professional services for the preparation of your US federal income tax return and, if required and requested by you, any state income tax returns for the tax year 2017. This letter is to confirm our understanding of the terms and objectives of our tax services engagement and to clarify the nature and limitations of the tax services to be provided.

TAX RETURN ENGAGEMENT

We will prepare the following income tax return(s) for calendar years 2017:

2017 US Individual Income Tax Return, Form 1040

State and prior year federal returns to be prepared (indicate below if any):

Family members for whom one or all of the above returns must also be prepared (indicate below if any):

INFORMATION PROVIDED BY YOU

It is your responsibility to provide us with all the information required for preparing complete and accurate returns. As an aid in gathering such information, we offer for your use questionnaires and worksheets to guide you in organizing the information we need to prepare your tax return. You represent that the information you are supplying us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the return. We will not audit or otherwise verify the information you give us; however, we may ask for additional clarification of some information. We generally prepare returns with the aid of computer tax preparation software.

We must receive all information needed to prepare your return four weeks prior to the applicable deadline, in order to ensure that your return will be completed by the deadline. If we have not received all of your information by this time, and your return is not completed by the applicable deadline, you may be subject to late filing or late payment penalties.

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

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Seattle, WA 98139

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AUDITS AND TAX RETURN POSITIONS

As you know, your returns are subject to examination by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. You understand that we are not responsible for IRS disallowance of doubtful deductions or inadequately supported documentation, or for resulting taxes, penalties and interest.

Any oral tax advice provided by our firm is subject to stringent limitations. You should only rely upon tax advice confirmed in writing by our firm.

We will use our judgment in resolving questions when the tax law is unclear, or when conflicts exist between taxing authorities' interpretations of the law and other supportable positions. Unless instructed by you, we will resolve such questions in your favor whenever possible. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. Currently, the IRS and state taxing agencies are aggressive in assessing penalties. We assume no liability for any such additional penalties or assessments. 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 to you for any damages that occur as a result of ceasing to render services.

SUBSTANTIATION AND DOCUMENTATION

You should also know that IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation such as travel and entertainment expenses, expenses for business usage of autos and computers, and charitable contributions. In preparing your returns, we will rely on your representations that we have been informed of all bartering transactions and that you understand and have complied with the documentation requirements for your expenses and deductions. If you have questions about these issues, please contact us.

You have the final responsibility for the accuracy and completeness of your income tax return. Accordingly, you should review each return carefully before you sign it. You should retain all the documents, cancelled checks and other data that form the basis of income and deductions reported on your return. These documents may be necessary to prove the accuracy and completeness of the return to a taxing authority. In addition, it is your responsibility to keep us informed of your current address at all times.

OTHER STATE AND LOCAL RETURNS

Washington State levies a Business and Occupation tax ("B&O Tax") on the gross receipts of businesses with a presence inside the state. The cities of Seattle and Tacoma levy a similar tax on businesses located inside those cities. Retail sales tax is also levied at the State and local level. Although we have expertise in these areas, we do not normally address these tax matters unless instructed to do so by you. If you would like us to address any matters related to these taxes, please let us know immediately.

FOREIGN BANK ACCOUNT AND ASSET REPORTING REQUIREMENTS

Please note that any person or entity subject to the jurisdiction of the U.S. having a financial interest in, or signature or other authority over, bank, securities or other financial accounts with an aggregate value exceeding \$10,000 in a foreign country, shall report such relationship. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

You must inform us of any assets or financial accounts held in foreign countries. If you hold assets or financial accounts in foreign countries, and the proper disclosure is not filed, you may be subject to significant penalties.

ESTATE PLANNING

You should also be aware that numerous law changes have occurred in the realm of estate planning. If you have significant net worth, we strongly suggest you consult with an estate planning attorney in order to determine how these changes affect you.

INVESTMENT ADVICE

Please note that our firm does not offer investment advice nor do we recommend specific programs for investment. Therefore, this engagement will not include any such advice or recommendation. In this regard an investment advisor should be consulted.

Unless we have expressly advised you in writing, pursuant to a separate engagement letter or a written addendum or amendment to this engagement letter, you agree not to rely on any statement or opinion made by us with regard to the investment in coming to a decision regarding the economic viability or consequences of the investment or regarding whether or not to make the investment.

ELECTRONIC FILING

We are required to electronically file your tax return, with limited exceptions. In order to electronically file your tax return, we will need you to sign an e-file authorization form. We will send you a copy of your tax return for your review before we ask you to sign the e-file authorization form. If the form is not signed on a timely basis, your tax return may not be timely filed. This may result in significant penalties.

RECORD RETENTION

It is our policy to return all original client documents to you at the completion of our work and to keep our work papers related to this engagement for six years. Upon the expiration of the six year period you agree that we shall be free to destroy our work papers. 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 AND BILLING

Our fees for tax services will be at our standard hourly rates for the time spent, plus out-of-pocket expenses. Hourly rates for personnel in our firm range from \$90.00 to \$185 per hour. These rates are

subject to change from time to time without notice. We will be available for consultation on income tax issues throughout the year at our standard hourly rates. Our fee for preparation of your return does not include responding to IRS inquiries or for consultations and/or representation of you before the IRS in the event that your return is selected for audit or inquiry. Invoices are due upon receipt. We may bill you on an interim basis prior to completion of this engagement. Invoices not paid within 30 days will be assessed a finance charge of 1.5% per month on the unpaid balance. If our fees are not paid in a timely manner, we retain the right to stop providing services related to your account.

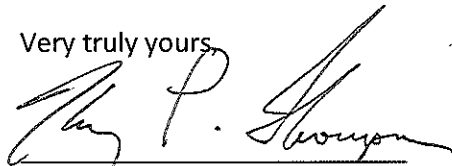
If any dispute arises related to this engagement, you agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Rules for Professional Accounting and Related Services Disputes. All unresolved disputes shall then be decided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

CONCLUSION

If the tax services and terms outlined above are in accordance with your understanding of our engagement, please sign the original copy of this letter in the space provided and return it to our office. E-mail or fax is fine; we do not need an original.

We appreciate the opportunity to serve you. If you have any questions or need any additional information, please do not hesitate to call.

Very truly yours,



Kerry P. Thompson, CPA

The foregoing is in accordance with my understanding of your engagement to provide tax services. The terms described in this letter are acceptable and are hereby agreed to.

By: _____ Date: _____

Print Name: _____