



ANNUAL ENGAGEMENT LETTER

Dear Taxpayer,

This Engagement Letter is for the preparation of your **2019** federal and state tax returns only. This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior proposals or agreements, written or oral, regarding these services. This letter confirms the services you have asked **Silva Tax Group ("STG")** to perform.

It is your responsibility to provide STG with all the information necessary to complete your tax return(s). In that regard you state that, to the best of your knowledge and belief you have provided true, correct, and complete information regarding your income, expenses, and deductions. If you have taxable activity in states other than California or in cities outside the State of California, you are required to inform STG of such filing expectations and provide all information needed to file such returns. You will retain for seven years all documents, receipts, cancelled checks, and other records required to substantiate items of income and expense claimed on your return. You have provided true, correct, and complete information regarding amounts you claimed as tax deductions and have maintained written documentation supporting all amounts including log books and receipts. You understand that taxing authorities may examine any tax return and that documentation should be retained to support the information provided to STG. Examiners may inspect any supporting tax documentation but may have particular interest in areas such as business travel, business use of autos and other assets, barter activities, and charitable contributions. STG recommends thorough documentation.

It is your responsibility to disclose to STG any interest in a foreign account, or that you or your entity(s) has an interest in a foreign entity, company, or corporation. The Internal Revenue Service ("IRS") requires certain filings or disclosures depending on the type of involvements or relationships you may have with foreign accounts, businesses, or individuals. Substantial penalties may apply for failing to be compliant, for which STG is not responsible.

You acknowledge that you have reported all income received through barter, cryptocurrency, consumer-to-consumer activity, cash-based revenues and all other income whether received in-person, in-kind, or electronically.

Tax Examination, Collection Division representation, or other inquiry by the IRS or other federal or state agency constitutes a separate engagement with separate fees. Should STG be engaged to assist or represent you in the matter, a Retainer Fee is required.

STG will not audit, review, compile, or otherwise perform accounting procedures to verify the accuracy of any information you provide. STG may require or request clarification or additional information. STG may have defined responsibilities subject to penalties and fines to comply with IRS Code or Ethics guidelines requiring procedures, clarifications, or documentation relating to your tax filing and the expectation of your cooperation and candor is a requirement of this engagement and is essential to timely and accurate filings. STG will perform accounting services only as needed to prepare your tax returns. STG's work will not include procedures to find defalcations or other irregularities. Accordingly, STG's engagement should not be relied upon to disclose errors, fraud, or other illegal acts. STG will



inform you of any material errors, fraud, or other illegal acts we may discover. STG is not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties, or interest.

You understand that, in the event of a preparation error, you are responsible for additional tax that may be due.

Considering all circumstances, STG will reasonably attempt to seek relief from penalties and interest.

You agree to contact STG immediately if you discover additional information that will lead to a change in your return, or if you receive any letters from the IRS, state, or local taxing authorities.

STG will use our judgment to resolve issues in your favor where a tax law is unclear. In situations of conflicting interpretation of tax law by authorities (e.g., tax agencies, courts), STG will discuss possible positions applicable to your specific tax situation and, using the information you provide STG, will prepare your return consistent with the codes, regulations, and interpretations that have been promulgated. The IRS may contest certain position(s) which may result in an assessment of additional tax and/or penalties and interest. STG assumes no liability for any such additional assessments.

In accordance with STG's document retention practice, we retain our work papers and your tax returns for up to 7 years. STG may choose to store these items physically and/or electronically, onsite and/or offsite. All your original records will be returned to you. Replacement copies are available upon request (fees may apply). By signing this letter, you give STG permission to transmit your tax records and related documents electronically. You agree to allow STG to use your email address to contact you for accounting, tax, and informational purposes. You agree to notify STG if your email address changes and hold STG harmless should your records be transmitted in error. After seven years, all documents are scheduled for permanent destruction and will no longer be available. Physical deterioration, human error, or catastrophic events may destroy records or abbreviate the planned storage duration for our records. STG's working papers and files are not a substitute for your original records. It is agreed and understood the work papers prepared by STG are, and always shall be, the property of STG.

From time to time, you may seek advice or clarifications regarding investments or potential investments. We are not investment advisors. We may be engaged to provide tools or information to you to aid or support your decision making processes regarding an investment but nothing STG discusses with you should be considered investment advice.

STG's fees for tax return preparation are due prior to preparing your tax return, unless payment arrangements have been made. If payment arrangements have been made, your fees for tax preparation are payable upon completion and are considered delinquent after 30 days. STG reserves the right to suspend or terminate processing of tax returns, or any other service, for payment delinquency, or any other reasonable cause, payment related or otherwise. STG will make a reasonable attempt to notify you of any changes to the status of this engagement. You acknowledge and agree that in the event STG stops work or withdraws from this engagement as a result of your failure to pay on a timely basis as required by this engagement letter, STG shall not be liable to you for any damages that may occur as a result of our ceasing to render services. Very importantly, STG reserves the right to request



the IRS and/or state and local tax authorities, through written notification, to remove STG as the “Paid Tax Preparer” on any tax return with delinquent tax preparation fees.

With increasing frequency, various third parties request that STG sign, for you, documents relating to verification of income, employment, tax status, or other various statements of surety, authentication, or opinion. STG is prohibited from signing and issuing any such document. STG may choose to provide a recap of facts as can be supported by information STG can readily substantiate with tangible documentation. You acknowledge the prohibition regarding this matter and agree to hold harmless STG for such damages, losses, or other adverse effects, financial or otherwise, you may experience as a result of STG’s inability or unwillingness to issue a signed statement.

In recognition of the relative risks and benefits of the agreement, both parties agree, to the fullest extent permitted by law, to limit the liability of STG to the client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of STG to the client shall not exceed STG’s total fee for services rendered under this agreement. All parties intend and agree that this limitation apply to any and all liability or cause of action against STG, however alleged, or arising, unless otherwise prohibited by law. All parties agree that there is a one-year limitation period to bring a claim for errors and omissions. The one-year period will begin upon the date of the tax professional’s signature on the tax return(s) whether signatures are represented digitally or in writing.

The IRS and State tax offices request that taxpayers provide driver’s license information as a security measure to help protect taxpayer identity and reduce tax fraud. Taxpayer driver’s license information will be requested by this office.

The filing of federal and state tax returns are time sensitive and penalties and/or interest may be imposed on returns that are late, underpaid, or incorrect.

You must notify us in writing (letter or email) to request STG to file a tax extension on your behalf.

This engagement concludes upon your signature on completed returns or e-file transmittal authorization forms. If you chose not to e-file your returns, you are responsible for filing the returns with the appropriate tax authorities, and pay all appropriate postage.

Both parties of this agreement agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at Silva Tax Group’s office located at 355 Third Avenue, Suite 101, Chula Vista, CA 91910. If any disputes arise among the parties, they agree to try, in good faith, to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Commercial Mediation Rules. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Commercial Arbitration Rules of the AAA. Fees charged by any mediator, arbitrator, 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, 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. It is agreed that any mediation and/or arbitration proceedings shall be performed or otherwise heard in the State of California.



We appreciate the opportunity to serve you and look forward to a continuing professional relationship.

Sincerely,

Tony Silva, JD, MBA, EA
License No. 00135756-EA
Silva Tax Group

By your signature below you agree to the terms described by this entire engagement letter and that this agreement shall remain in effect until terminated by either party in writing.

TAXPAYER

SPOUSE

Name: _____

Email: _____

Signature/Date: _____ / _____

_____ / _____