

2023 Tax Return Preparation Agreement – Engagement Conditions and Limitations

This agreement, between the “**CLIENT**”, and Verus Financial Partners, Inc., (hereinafter referred to as “**VERUS**”) defines **VERUS’s** professional responsibilities in connection with the preparation of the **CLIENT’s** tax returns and the standards that will be employed in the tax return preparation process.

Tax Return Responsibilities

VERUS will prepare the appropriate federal and state tax returns for 2023 from information that the **CLIENT** has provided. It is the **CLIENT’s** responsibility to provide all the information required for the preparation of complete and accurate returns. The **CLIENT** is responsible for the substantial accuracy of the **CLIENT’s** financial records. **VERUS** will not audit or otherwise verify the data the **CLIENT** submits, although it may be necessary for **VERUS** to ask the **CLIENT** for clarification of some of the information.

The **CLIENT** is responsible for maintaining proper records in accordance with tax laws to substantiate all items of income and deductions the **CLIENT** provides to **VERUS** for the preparation of the tax returns. The **CLIENT** should retain all the documents and other data that form the basis of calculating all income and appropriate deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. **VERUS’s** work in connection with the preparation of the tax returns does not include any procedures designed to discover fraud, defalcations, or other irregularities, should any exist. **VERUS** will render such accounting and bookkeeping assistance only as is necessary for preparation of the tax returns and this assistance will increase the fee **VERUS** charges for the **CLIENT’s** tax returns. **VERUS** will exercise professional care to include all pertinent information in the **CLIENT’s** tax returns; however, the **CLIENT** has the final responsibility for the tax returns and, therefore, the **CLIENT** should review them carefully before the **CLIENT** signs the tax returns. Under this agreement, **VERUS** assumes no responsibility for the payment of any amounts due and **VERUS** assumes no responsibility for the filing of any tax returns, tax forms, disclosures, or any other statements with taxing authorities.

VERUS will rely on the **CLIENT** to provide information and representations to **VERUS** in the performance of **VERUS’s** professional services and in consideration of the fees that **VERUS** will charge. Because **VERUS** will be relying on the **CLIENT’s** representations, the **CLIENT** agrees to indemnify **VERUS** and its officers, shareholders, and employees, and hold them harmless from all claims, liabilities, losses, and costs arising in circumstances where there has been a known misrepresentation by the **CLIENT**, the **CLIENT’s** employees or the **CLIENT’s** agent, regardless of whether such an employee or agent was acting in the **CLIENT’s** interest. This indemnification will survive termination of this letter.

Efiling

VERUS has instituted electronic filing of tax returns as the standard business practice for all tax returns that can be filed electronically due to federal and state mandates for preparers to electronically file tax returns. The **CLIENT** will receive copies of tax returns **VERUS** prepares for the **CLIENT** for the **CLIENT’s** files. The **CLIENT** has the final responsibility for returning the e-file signature forms to **VERUS**, and the forms must be dated and signed properly. Failure to sign or date the form properly or failure to return the e-file signature forms in a timely manner to **VERUS** may prevent the tax returns from being timely filed. Under this agreement, if the **CLIENT** fails to timely provide the e-file signature forms in the correct format and by the requested date, then **VERUS** assumes no responsibility for the timely electronic filing of any tax returns, or any penalties, interests, or costs incurred related to the filing.

Tax Return Due Dates

VERUS requires a signed engagement letter from the **CLIENT** before **VERUS** will prepare the **CLIENT’s** tax returns or forms requesting extensions of time to file the **CLIENT’s** tax returns (“extensions”). The **CLIENT** must contact **VERUS** at least three weeks prior to the original due date of the **CLIENT’s** tax returns. If the **CLIENT** does not contact **VERUS** before this time, **VERUS** will assume that the **CLIENT** does not want to engage **VERUS** to prepare the **CLIENT’s** tax returns or extensions for 2023. **VERUS** will further assume that **VERUS** is no longer engaged for any other tax services until the **CLIENT** notifies **VERUS** otherwise.

VERUS requires the **CLIENT's** tax return information to ensure that the **CLIENT's** tax returns or extensions can be accurately prepared. **VERUS** must receive all material information to prepare the **CLIENT's** tax returns at least three weeks prior to the original date of the **CLIENT's** tax returns. If **VERUS** has not received all material information by this time, **VERUS** cannot guarantee that **VERUS** will be able to complete accurate tax returns or extensions by the original due date. Consequently, the **CLIENT** may be assessed late filing or late payment penalties and interest by taxing authorities. **VERUS** will not be responsible for any such assessments.

Fees

VERUS's fees for the services described above will be based upon **VERUS's** standard billing rates at the time of the engagement which reflect the professional services that will be rendered, and any expenses incurred. If requested, **VERUS** would be pleased to provide an estimate of total fees after reviewing the condition of the **CLIENT's** records and accuracy of the **CLIENT's** information. **VERUS** reserves the right to stop work on any account that is 30 days past due. Any additional services that the **CLIENT** may request subsequent to the execution of this agreement, including but not limited to routine questions or planning matters, and that **VERUS** agrees to provide, will be subject to separate arrangements made at the time requested, and invoiced under **VERUS's** standard billing rates. If **VERUS** renders accounting and bookkeeping assistance necessary for preparation of the tax returns, this assistance will increase the fee **VERUS** charges. If **VERUS** is required to prepare an extension of time to file any tax return, the fee to prepare the tax returns will be increased accordingly.

Tax Return Matters

VERUS will use its professional judgment in preparing tax returns and providing other tax services. Whenever **VERUS** is 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) **VERUS** will explain the possible positions that may be taken on the tax return. **VERUS** will follow the position the **CLIENT** requests on the return so long as it is consistent with tax code, regulations and interpretations that have been promulgated, including the new tax return preparer standards as outlined below. If the Internal Revenue Service or other taxing authority should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. **VERUS** assumes no liability for any such additional penalties or assessments; and **CLIENT** hereby releases **VERUS** from any liability, including but not limited to, additional tax, penalties, interest, and related professional fees.

The law provides for penalties to be imposed when taxpayers make a substantial understatement of their tax liability. If the **CLIENT** would like information on the amount or the circumstances of these penalties or how they relate to the new tax return preparer penalties, please contact **VERUS**.

This engagement does not include responding to government inquiries, notices, or examinations. In the event of a government audit or examination, **VERUS** highly recommends that the **CLIENT** consult with **VERUS** prior to responding to the taxing authority. The **CLIENT's** tax returns may be selected for review by the taxing authorities. Any proposed adjustments by an examining agent are subject to certain rights of appeal. **VERUS** will be available upon request to represent the **CLIENT** in such matters and will render invoices for the professional services and expenses incurred under **VERUS's** standard billing rates.

The **CLIENT** may authorize the Internal Revenue Service and state taxing authorities to discuss the **CLIENT's** tax return with the CPA/EA who signed the return as the "preparer". With this authorization, the tax return preparer may (1) provide information that may be missing from the **CLIENT's** return, (2) call to inquire on the processing of the **CLIENT's** return or the status of a refund, and (3) respond to notices relating to mathematical errors, offsets, and return preparation. As a business practice, **VERUS** routinely checks the "yes" box in the signature area of the tax return that makes an irrevocable election to grant this authority for that specific tax return. The authorization is valid for one year after the due date for filing the return. If the **CLIENT** does not wish to grant this authority, please notify **VERUS**.

The Internal Revenue Code requires that the **CLIENT** disclose on the **CLIENT's** federal tax return certain "reportable transactions" or "listed transactions." There are significant financial penalties for failure to disclose these transactions, and these penalties apply even if the transaction does not lead to an understatement of tax. Certain states require similar disclosures on the **CLIENT's** state tax returns. Except as disclosed on the **CLIENT's** tax returns, the **CLIENT** has not made **VERUS** aware of any reportable

transactions or listed transactions that are required to be reported on the **CLIENT's** tax returns. **VERUS** has not undertaken an investigation to evaluate whether there are any transactions that are required to be reported on the **CLIENT's** returns. The **CLIENT** agrees to hold **VERUS** harmless with respect to any liability including but not limited to, additional tax, penalties, interest, and professional fees resulting from the **CLIENT's** failure to timely notify **VERUS**, in writing, of any tax shelters and/or reportable transactions identified in tax reference materials in order to facilitate the timely preparation and filing of the **CLIENT's** tax returns.

VERUS will prepare the **CLIENT's** tax returns solely for filing with the Internal Revenue Service and state and local tax authorities. The returns are not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

As a result, the **CLIENT** agrees to indemnify and hold **VERUS** and any of its partners, principals, shareholders, officers, directors, members, employees, agents, or assignees harmless from any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities, regardless of the nature of the claim, including negligence of any party.

Foreign, State and Local Taxes

The **CLIENT** is responsible for providing **VERUS** the information necessary to identify the states and foreign countries in which the **CLIENT** conducts business or derives income. Based upon the information the **CLIENT** provides, **VERUS** will discuss with the **CLIENT** any additional federal or state filing requirements or disclosures that may be required. Please note that if the **CLIENT** has a tax filing requirement in a given state but does not file the required tax return, it is possible that the non-filing could have adverse ramifications. If the **CLIENT** would like more information on this matter, please let **VERUS** know. The **CLIENT** is solely responsible for meeting any foreign country tax or reporting requirements. The **CLIENT** is solely responsible for meeting state or local requirements for reporting unclaimed property. The **CLIENT** is solely responsible for providing **VERUS** with the information necessary to identify applicable federal and state tax credits. If **VERUS** is aware that the **CLIENT** may qualify for an income or franchise tax credit that is not currently claimed, **VERUS** will make reasonable attempts to alert the **CLIENT**. However, unless **VERUS** is specifically engaged to do so, **VERUS** will not perform a detailed analysis of credits for which the **CLIENT** may be eligible but is not currently claiming.

Foreign Bank Account Reporting

Any person or entity subject to the jurisdiction of the U.S. having financial interest in, or signature or other authority over, a bank, securities or other financial account in a foreign country having a value exceeding \$10,000, 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. If the **CLIENT** has a financial interest in any foreign account(s), the **CLIENT** is responsible for preparing a FinCEN Report 114, Report of Foreign Bank and Financial Accounts (FBAR) as required by the U.S. Department of the Treasury. **VERUS** will not prepare or review the FinCEN Report 114 for the **CLIENT**.

Foreign Financial Asset Reporting

Any person or entity subject to the jurisdiction of the U.S. having ownership in any specified foreign financial assets or an interest in a foreign trust, foreign estate, foreign pension plan, or a foreign deferred compensation plan with an aggregate fair market value of a specified threshold, shall report such relationship on their tax return. Specified foreign financial assets include financial accounts maintained by a foreign financial institution, stocks and securities issued by a foreign person, any interest in a foreign entity, any financial instrument or contract issued by a not U.S. entity, foreign social security, social insurance, or interest in other foreign government programs, a capital or profits interest in a foreign partnership, a note, bond, or other form of indebtedness issued by a foreign person, and any asset held for investment that is not used to conduct any trade or business. Failure to disclose the required information to the Internal Revenue Service may result in substantial civil and/or criminal penalties. If the **CLIENT** has a financial interest or ownership in any specified foreign asset(s), the **CLIENT** is responsible for providing the appropriate information to **VERUS**. **VERUS** will then prepare Form 8938 for inclusion with the **CLIENT's** tax return based solely on the information provided by the **CLIENT**. If the **CLIENT** received a gift or bequest from a foreign person or trust, the **CLIENT** may be required to file a separate IRS Form 3520, *Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts* or Form 3520-A, *Annual Information Return of Foreign Trust with a U.S. Owner*. If the **CLIENT** received a gift or bequest from a foreign person or trust, the **CLIENT** is responsible for providing the appropriate information to **VERUS**.

Gift tax returns

The IRS considers a gift to be any transfer indirectly, where full consideration (measured in money or money's worth) is not received in return. Under federal tax law, certain gifts are taxable and subject to an annual gift tax exclusion amount, which for 2024, is \$18,000 per taxpayer. The CLIENT is responsible for informing VERUS if they have made any transfer of value for which full consideration was not received, such as, but not limited to, those made in trust, forgiveness of debt, or the use of property for which no or below-market rent was charged.

Virtual currency

The IRS considers virtual currency (e.g., Bitcoin) as property for U.S. federal income tax purposes. As such, any transactions in, or transactions that use, virtual currency are subject to the same general tax principles that apply to other property transactions.

If the CLIENT had virtual currency activity during the tax year, the CLIENT may be subject to tax consequences associated with such transactions and may have additional reporting obligations. The CLIENT agrees to provide VERUS with complete and accurate information regarding any transactions in, or transactions that have used, virtual currency during the applicable tax year.

Confidentiality and Access to Working Papers

VERUS is required by professional standards and federal law to keep all information about VERUS engagements confidential; therefore, VERUS will not disclose any information about the CLIENT unless VERUS has the CLIENT's approval through written consent or are required/permitted by law. This applies even if the CLIENT is no longer a client.

The working papers for this engagement are the property of VERUS and constitute confidential information. Any requests for access to VERUS' working papers will be discussed with the CLIENT prior to making them available to requesting parties. In the event VERUS is requested or authorized by the CLIENT or required by governmental regulation, subpoena, or other legal process to produce VERUS' working papers or VERUS personnel as witnesses with respect to VERUS's engagement with the CLIENT, the CLIENT will, so long as VERUS is not a party to the proceeding in which the information is sought, reimburse VERUS for VERUS' professional time and expense, as well as the fees and expenses of VERUS' legal counsel incurred in responding to such a request.

If the tax returns prepared in connection with this engagement are filed using the married filing jointly filing status, both spouses are deemed to be clients of VERUS under the terms of this Agreement. Both spouses acknowledge that there is no expectation of privacy from the other concerning our services in connection with this Agreement. VERUS is at liberty to share with either spouse, without prior consent of the other, documents and other information concerning the preparation of the CLIENT's tax returns.

CPA-Client Privilege

Federal law and state law, where applicable, have extended the attorney-client privilege to some, but not all, communications between a client and the client's CPA. The privilege applies only to non-criminal tax matters that are before the Internal Revenue Service or brought by or against the U.S. Government in a federal court. The communication must be made in connection with tax advice. Communications solely concerning the preparation of a tax return will not be privileged.

Taking advantage of privilege requires specific and deliberate actions on VERUS' part, including the creation of separate engagement letters, billing records, and files with restricted access. As a general business practice, VERUS will not incur the significant additional costs to execute these actions to preserve privilege for communications that would otherwise qualify, unless the CLIENT specifically requests VERUS to do so.

When VERUS is requested to take actions to preserve privilege for communications with the CLIENT, such confidentiality privilege can be inadvertently waived if the CLIENT or the CLIENT's representative discusses the contents of VERUS' communications with a third party, such as a lending institution, a friend, or a business associate. VERUS recommends that the CLIENT contact legal counsel before releasing any privileged information to a third party.

If **VERUS** is asked to disclose any privileged communication, unless **VERUS** is required to disclose the communication by law, **VERUS** will not provide such disclosure until the **CLIENT** has had the opportunity to argue that the communication is privileged. The **CLIENT** agrees to pay any and all reasonable expenses that **VERUS** incurs, including legal fees, that are a result of attempts to protect any communication as privileged.

Third Party Service Providers

In the normal course of business, **VERUS** may on occasion use the services of an independent contractor or a temporary or loaned employee, all of whom may be considered a third-party service provider. On these occasions, **VERUS** remains responsible for the adequate oversight of all services performed by the third-party service provider and for ensuring that all services are performed with professional competence and due professional care. **VERUS** will adequately plan and supervise the service provided by the third-party service provider; obtain sufficient relevant data to support his or her work product; and review compliance with all technical standards applicable to the professional services rendered. **VERUS** will enter into a contractual agreement with the third-party service provider to maintain the confidentiality of information and be reasonably assured that the third-party service provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others.

Third-party requests

VERUS will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. **VERUS** will not communicate with third parties or provide them with copies of tax returns.

Record Retention

It is the **CLIENT's** responsibility to retain all the documents, receipts, cancelled checks, and other data that form the basis of income and deductions reported on the tax returns. As a business practice, **VERUS** does not regularly make copies for **VERUS'** files of all client documents when preparing tax returns. **VERUS** is committed to the safekeeping of the **CLIENT's** confidential information, and **VERUS** maintains physical, electronic, and procedural safeguards to protect the **CLIENT's** information. In general, it is **VERUS** firm policy to keep copies of tax returns, working papers and other records related to this engagement for no more than seven years from the date **VERUS** issues the **CLIENT's** tax returns.

Electronic Data Communication and Storage

In the interest of facilitating our services to the **CLIENT**, **VERUS** may communicate by facsimile transmission or send data over the Internet through email or other software, temporarily store electronic data via computer software applications hosted remotely on the Internet or utilize cloud-based storage. The **CLIENT's** confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, **VERUS** employs measures designed to maintain data security. **VERUS** uses reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

The **CLIENT** recognizes and accepts that **VERUS** has no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. The **CLIENT** consents to our use of these electronic devices and applications during this engagement.

Electronic Signatures and Counterparts

The **CLIENT** and **VERUS** hereto agree that any electronic signature is intended to authenticate a written signature, shall be valid, and shall have the same force and effect as a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. Documents may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

Conflicts of Interest

If **VERUS**, in our sole discretion, believes a conflict has arisen affecting our ability to deliver services to the **CLIENT** in accordance with either the ethical standards of our firm or the ethical standards of our profession, **VERUS** may be required to suspend or terminate our services without issuing our work product.

Tax Return Preparer Penalty Standards

The Small Business and Work Opportunity Tax Act of 2007 and The Emergency Economic Stabilization Act of 2008 expanded the duties and standards applicable to tax professionals for returns prepared after May 25, 2007. Tax professionals will be required to meet higher threshold standards for tax positions taken on returns. The change replaces the “realistic possibility” standard for undisclosed positions with a requirement that there be a reasonable belief that the position’s tax treatment has “substantial authority” for the proper treatment. As such, **VERUS** will be advising the **CLIENT** to disclose any tax position that does not meet this “substantial authority” standard. In addition, the new rules altered the minimum standard for a disclosed position on a taxpayer’s return from “not frivolous” to a “reasonable basis,” which is a higher standard. Unless the **CLIENT** notifies **VERUS** otherwise, **VERUS** will assume the **CLIENT** understands that **VERUS** will be preparing all tax returns in accordance with the newly promulgated standards, and that **VERUS**’ compliance with these standards may be more stringent than requirements placed on the **CLIENT**. In the event that **VERUS** advises the **CLIENT** to disclose a tax position that, in **VERUS**’ professional judgment, will not meet the “substantial authority” standard, but may be a “reasonable basis,” and the **CLIENT** refuses to disclose the position, then **VERUS** reserves the right to stop work and shall not be liable to the **CLIENT** for any damages that occur as a result of ceasing to render services.

Duration and Termination

This agreement is effective as of the date signed below and will last in duration for one year or until terminated in writing by either party.

Dispute and Arbitration

Subject to the conditions and exceptions noted below, and to the extent not inconsistent with applicable law, in the event of any dispute pertaining to **VERUS**’ services under this agreement, both **VERUS** and the **CLIENT** agree to submit the dispute to arbitration in accordance with the auspices and rules of the American Arbitration Association (“AAA”), provided that the AAA accepts jurisdiction. **VERUS** and the **CLIENT** understand that such arbitration shall be final and binding, and that by agreeing to arbitration, both **VERUS** and the **CLIENT** are waiving their respective rights to seek remedies in court, including the right to a jury trial. The **CLIENT** acknowledges that they have had a reasonable opportunity to review and consider this arbitration provision prior to the execution of this agreement. The **CLIENT** acknowledges and agrees that in the specific event of non-payment of any portion of **VERUS**’ fee pursuant to this agreement, **VERUS**, in addition to the aforementioned arbitration remedy, shall be free to pursue all other legal remedies available to it under law, and shall be entitled to reimbursement of reasonable attorneys’ fees and other costs of collection.

Limitation of Liability

VERUS shall only be responsible for the preparation of 2023 tax returns as has been discussed under this agreement. **VERUS**, acting in good faith, shall not be liable for any action, omission, or loss in connection with this agreement. Federal and state laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which the **CLIENT** may have under any federal or state laws.

Assignment

This agreement may not be assigned by either the **CLIENT** or **VERUS** without the prior consent of the other party.

Amendments

VERUS may amend this agreement upon written notification to the **CLIENT**. Unless the **CLIENT** notifies **VERUS** to the contrary, in writing, the amendment shall become effective thirty (30) days from the date of mailing.

Applicable Law/Venue

To the extent not inconsistent with applicable law, this agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. In addition, to the extent not inconsistent with applicable law, the venue (i.e. location) for the resolution of any dispute or controversy between **VERUS** and the **CLIENT** shall be the City of Richmond, Commonwealth of Virginia.

Authority

The **CLIENT** acknowledges they have all requisite legal authority to execute this agreement. The **CLIENT** correspondingly agrees to immediately notify **VERUS**, in writing, in the event that this representation should change.

The **CLIENT** is encouraged to review the information contained in this agreement and ask **VERUS** any questions you may have. By signing the 2023 Tax Preparation Agreement provided with the 2023 Tax

Organizer, the **CLIENT** acknowledges the terms of the agreement and agrees to the conditions and limitations set forth above which govern the preparation of the **CLIENT's** 2023 tax return(s).

These conditions and limitations contain the entire understanding between the **CLIENT** and **VERUS** with respect to the aforementioned services.