

Standard Terms of Engagement for All Tax and Management Engagements

Specific terms and conditions for each engagement are set out in a separate agreement. These terms and conditions apply to all engagements.

Scope of Engagement:

All engagements are on a project-by-project basis and are open-ended until completion. As appropriate, milestones and benchmarks for each project are discussed and set as You determine Your project priorities. Regular discussions between Us and Your administration is required to expedite and complete Your project.

Specifically: Tax Compliance (Preparation) engagements include only preparation, filing and follow-up correspondence related to the returns listed in the engagement agreement. If required, examination (audit), appeals, and collection services are subject to a separate agreement and may require payment of additional retainers or fees.

Provision of Services

Services are provided by Steven J. Roy, an affiliated company, or our employees and subcontractors. Steven J Roy will personally supervise and conduct all project management activities.

We and our employees may rely on Your legal, accounting or other professionals for information and support during the engagement. We defer to Your professionals in all matters of accounting or law that fall within the scope of that professional's competence. We notify and seek approval from You prior to any contact with Your professionals that may result in billable activities by those professionals.

We may employ subcontractors for some aspects of the engagement. We will notify and seek Your approval before we retain any subcontractor. Support may be required in the following arenas: marketing, market research, and market planning, specialized areas of law that are outside the scope of Your general counsel's practice, and attest services. We rely on Your counsel and advisors to determine scope limitations and to recommend appropriate counsel for needed services.

Cooperation

All projects require consultation between You, Us, and our respective administrations and employees. Ready access to those resources is critical to the success of the projects. Regular meetings and cooperation between the parties are prerequisite to continuing our relationship. We and you reserve the right to terminate the engagement if cooperation is not forthcoming.

Confidentiality and Privacy

All information, data, and results are subject to confidentiality, non-disclosure, and-or non-compete agreements that prohibit us from distribution or dissemination to outside parties. This agreement permits Us to disseminate data to our affiliates and employees on a need-to-know basis and to subcontractors on approval obtained from You. You, with Our assistance, will maintain a security-approvals list that tracks custody of critical or sensitive information.

The Confidentiality Agreement may be in a form provided by You, Us, or by negotiation between us. We will not commence work before You execute or acknowledge the agreement.

Some activities We contemplate are subject to Federal Privacy Act or Internal Revenue Service Circular 230 Provisions that require Us to notify You of Our privacy policy. The essence of that policy is:

We will not, in the ordinary course of events, transmit any data or information to outside parties (including the fact of our engagement by You) without Your express authorization in writing. The authorization will be in a form prescribed by the Privacy Act or Internal Revenue Service Circular 230, specifying the data to be provided and the party to whom it is to be provided.

If We are legally compelled to reply (e.g. Federal agency subpoena) We will advise Your counsel and administration on a timely basis.

We will provide, and You are required to acknowledge Our Privacy Policy in a form that meets Federal Disclosure Requirements.

EA# 036074, CalBRE License # 01706626, CRD 6499051

Full Spectrum Business, Wealth and Tax Management
<http://www.stevenroymanagement.com>

Steven J Roy Management—Cambyses Capital
Standard Terms and Conditions (Continues)

Ownership of Data and Work Product

During the engagement You will provide us with original or copies of data necessary to complete the engagement. You retain ownership of all original (or hard copies) of data you provide. We will return all original and hard copied data on completion or termination of the engagement. We will retain digitally scanned copies of your original, hard copy, or digitally scanned data for the period determined by statute.

During the engagement We generate work product that incorporates Your data and assumptions. We retain all rights in Our work product until our final invoice is paid. Our work product becomes Your property when our final invoice is paid. If provided for in Our agreement We may provide copies of these documents, spreadsheets and reports to You on a scheduled basis.

We employ generic tools such as databases, projection spreadsheets, pro-forma, programs, and presentation Templates that are not specific to You. We reserve the right to re-use generic materials in our operations, provided Our use does not violate the Confidentiality or Privacy Agreements between Us and You.

Communication of Findings

Project benchmarks are determined on a project-by-project basis. Reporting schedules are incorporated into project descriptions and engagement agreements. Regular communications are required as part of the engagement.

Fees, Expenses and Retainer

PLEASE NOTE THAT WE HAVE CHANGED OUR RETAINER POLICIES WITH REGARD TO TAX COMPLIANCE AND REPRESENTATION ENGAGEMENTS. WE HAVE ALSO CHANGED OUR BILLING POLICY WITH RESPECT TO CONFERENCE AND TELECONFERENCE INTERACTIONS (CONFERENCES AND TELECONFERENCES THAT EXCEED 12 MINUTES WILL NOW BE CONSIDERED BILLABLE TIME.)

Our fees and expenses are billed on an hourly basis in arrears on a calendar month or project progress basis. Invoices are mailed between the first and tenth of each month. All billings include a detailed time record, the service rendered and the nature of the activities. All invoices are due on presentation.

We secure project approvals and cost estimates prior to commencement of each project. Milestones, benchmarks, and estimated cost to complete are negotiated when the project is authorized. In some cases, a “not-to-exceed” provision is included in the terms. If You change the scope of the project, re-negotiated budget estimates and engagement agreements may be required.

For tax compliance and representation engagements, (return preparation and filing or representation in audit, appeals, or collections) **You are required to establish a non-refundable retainer balance equal to approximately our estimated out-of-pocket costs (including software licenses) plus one half of Our estimated cost-to-complete the compliance engagement. We apply the retainer to Your balance on conclusion of the engagement and will rebate or credit any unused retainer. We will not commence any compliance or representation engagement (including filing extensions) until We receive Your retainer and an executed engagement agreement.** We provide statements reflecting the balance of Your retainer account and required additions to that balance, if any.

You will advance to Us, or pay directly to the vendor, all expenses we incur during any engagement for; e.g. specialized services, software licenses, travel or travel related activity, and specialized data sources or database materials. We will seek Your approval for all such expenses prior to incurring them. You will not reimburse Us for any unauthorized expense. We reserve the right to withdraw from the engagement if appropriate payments are not maintained.

We rely on Your personnel, to the extent possible, to provide services that do not require conceptualization or that are reasonably within the scope of their job duties and abilities. (e.g. Clerical and Administrative Support).

Steven J Roy Management—Cambyses Capital
Tax Compliance Services Agreement (Continues)

Standard Hourly Rates AND Reimbursable Expenses (Software Licenses)

Item	General Description	Hourly Rate
Clerical and Administrative Support	Non-technical document preparation or presentation that does not require management skills or knowledge (See Below)	\$95
Conference and Teleconference Activities	Face-to-Face conference time and teleconference time that exceeds 12 minutes and in which substantive issues are discussed.	\$135
Development and General Management Activities	Development of documents, spreadsheets, or database materials that requires a degree of knowledge consistent with undergraduate education or routine experience with business affairs.	\$125-\$165
Administrative Management Activities	Analysis of data, information or operating conditions that requires a high degree of training and knowledge consistent with extensive experience in business affairs or graduate education.	\$185-\$225
Negotiation, representation, or compliance activities	Activities that require specific credentials or that involve a high degree of training and knowledge (e.g. Loan and lease negotiation, tax compliance or representation, design of systems or solutions to accomplish specified ends)	\$245-\$295
Travel Time and Idle Time at Travel Destinations	Portal-to-portal time required to reach work locations including connection time (midnight to midnight convention)	\$175 (Max \$2000/Day)

Reimbursable Expenses (Software Licenses)

Tax Software License	Description	License Fee
Individual	Federal Form 1040 and one state (resident state)	\$95
Individual	Additional state return for multi-state filing	\$46
Business Entity, Trust, or Estate	Federal Form* and one state (resident state)	\$101
Business Entity, Trust, or Estate	Additional state return for multi-state filing	\$62
Corporate Consolidated Return	Consolidating Federal Form 1120	\$101
Gift Tax, Employee Benefit Plan	Federal Form 709 or 5500	\$62
*Federal Forms 706 (Estate Tax), 990 (Exempt Organization), 990-T (Exempt Organization UBIT), 1041 (Trust), 1120 (Corporation), 1120S (S-Corporation), or 1065 (Partnership, including LLCs)		