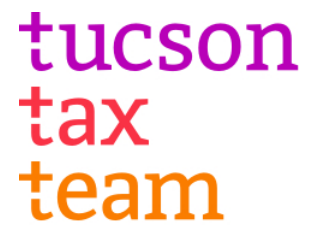


Schedule E Addendum



Taxes solved.

Thank you for using Tucson Tax Team for your tax preparation needs. Clear communication is key to a successful business relationship. The purpose of this letter is to ensure we share an understanding of the services we provide.

Our Responsibilities: Tucson Tax Team will prepare your rental income tax return. We do not prepare and are not responsible for preparation of other business taxes such as state use tax, payroll tax, etc.

Your Responsibilities: We recommend that you keep records for all deductions for a minimum of 7 years. Receipts for depreciable assets or improvements should be kept for 10 years after the asset has been disposed of. Excessive or inappropriate expenses may be disallowed.

Income: The IRS requires you to report all income received in renting your property. This includes advance rent, payment for cancellation of lease and cash rents in addition to "non-income" sources such as bartering and canceled debt. Security deposits are not included in income if they will be returned to the tenant, but any security deposit not returned is included in income that year.

Expenses: All deductible expenses should be ordinary and necessary. Mortgage interest paid on debt used to purchase or improve the property may be deducted; interest paid on debt used for other purposes is not deductible. You may take a mileage deduction for collecting rent, making repairs, or inspecting the property if you keep a log showing date, destination and purpose.

Depreciation: The purchase price of the rental or large improvements is not deductible in the year of purchase; instead, it is depreciated over a period of time. The depreciation that you deduct each year reduces your cost basis; this means that when you sell the property, your taxable income increases.

Title: How you hold title to your property may impact taxation upon the death of an owner.

Sale of Property: When you sell your rental property, you may have a gain or a loss on your personal tax return. If you convert your residence to a rental, it is considered a principal residence until you have not lived in it 3 of the last 5 years. After those three years, it is no longer eligible for the full principal residence exclusion; complex tax rules determine gain or loss on the sale of such property.

QBID: The Qualified Business Income Deduction is for most rental properties under our current understanding of the tax law. If you take a deduction and it is later disallowed, Tucson Tax Team is not responsible for any taxes, penalties, or interest levied as a result of this disallowance.

Signing below acknowledges receipt of this information:

Signature

Date

Tucson Tax Team LLC + 6111 East Grant Road + Tucson, AZ 85712 + (520) 777-7844