



Letter of Engagement for  
Columbia Community Land Trust  
Review and Audit Services

In Relation To Proposal #HKA1155-v2

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## UP-FRONT FIXED PRICING ENGAGEMENT LETTER

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Dear Darcie Clark,

We are pleased you have requested an up front fixed price agreement for us to provide accounting, tax and advisory services. We have prepared this agreement to document an understanding between us as to the scope of work that Hawk Kruse will perform, as well as your investment in the services with this Up- Front Fixed Price Engagement Letter. To avoid any misunderstandings, this agreement defines the services we will perform for you, as well as your responsibilities under this agreement.

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## **Service Guarantee**

Our work is guaranteed to your complete satisfaction, If you are not completely satisfied with the services performed by Hawk Kruse, we will, at your option, either refund the price, or accept portions of said price that reflect your level of satisfaction. We will assume you are satisfied upon payment received under the terms for this Agreement.

## **Price Guarantee**

If you ever receive an invoice without first authorizing the service , payment terms, and price, you are not obligated to pay for that service.

## **Unanticipated Services**

Furthermore, the parties agree that if an unanticipated need arises (such as, but not limited to, any other service not anticipated in this agreement by the parties) that Hawk Kruse hereby agrees to perform this additional work at a mutually agreed upon price before the service is provided. This service will be billed separately to you, as part of a Change Order, and will be payable upon presentation (or payable upon terms mutually agreed upon).

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## INVESTMENT

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The fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

All invoices are due upon receipt. Any invoices that are outstanding longer than 30 days will incur a service charge of 1.5% per month.

## DISPUTE RESOLUTION PROCEDURES

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The following procedures shall be used to resolve any controversy or claim ("dispute") as provided in our engagement letter dated 9th December 2019. If any of these provisions are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by law.

### Mediation

A dispute shall be submitted to mediation by written notice to the other party or parties. In the mediation process, the parties will try to resolve their differences voluntarily with the aid of an impartial mediator, who will attempt to facilitate negotiations. The mediator will be selected by agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the American Arbitration Association ("AAA"). Any mediator so designated must be acceptable to all parties.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt with the assistance of the mediator, to reach an amicable resolution to the dispute.

The mediation will be treated as a settlement discussion and therefore will be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. No recording or transcript shall be made of the mediation proceedings.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

### Arbitration

If a dispute has not been resolved within 90 days after the written notice beginning the mediation process (or longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute will be settled by arbitration. The arbitration will be conducted in accordance with the procedures in this document and the Arbitration Rules for Professional Accounting and Related Services Disputes of the AAA as in effect on the date of the engagement letter ("AAA Rules"). In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators regardless of the size of the dispute, to be settled as provided in the AAA Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of these procedures, including any contention that all or part of these procedures are invalid or unenforceable, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may serve on the panel unless he or she has agreed in writing to abide and be bound by

these procedures.

The arbitrators may not award non-monetary or equitable relief of any sort. The shall have no power to award punitive damages or any other damages not measured by the prevailing party's actual damages, and the parties expressly waive their right to obtain such damages in arbitration or in any other forum. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitrators have power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

No discovery will be permitted in connection with the arbitration unless it is expressly authorized by the arbitration panel upon showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. Neither the parties nor the arbitrators may disclose the existence, content or results of the arbitration except as necessary to comply with legal or regulatory requirements. Before making any such disclosure, a party shall give written notice to all other parties and shall afford such parties a reasonable opportunity to protect their interests.

The results of the arbitration will be binding on the parties, and judgment on the arbitrators' award may be entered in any court having jurisdiction.

## Confidentiality

Confidential information (the "Confidential Information") refers to any data or information relating to the business of the Client which would reasonably be considered to be proprietary to the Client including, but not limited to, accounting records, business processes, and client records and that is not generally known in the industry of the Client and where the release of that Confidential Information could reasonably be expected to cause harm to the Client.

All written and oral information and material disclosed or provided by the Client to HKA under this agreement is Confidential Information regardless of whether it was provided before or after the date of this Agreement or how it was provided to HKA.

## Ownership of Intellectual Property

All intellectual property and related material (the "Intellectual Property") that is developed or produced under this Agreement, will be the property of HKA. The Client is granted a non-exclusive limited-use license of this Intellectual Property.

Title, copyright, intellectual property rights and distribution rights of the Intellectual Property remain exclusively with HKA.

## Indemnification

Except to the extent paid in settlement from any applicable insurance policies, and to the extent permitted by applicable law, each Party agrees to indemnify and hold harmless the other Party, and its respective directors, shareholders, affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from or arise out of any act or omission of the indemnifying party, its directors, shareholders, affiliates, officers, agents, employees, and permitted successors and assigns that occurs in connection with this Agreement. This indemnification will survive the termination of this Agreement.

## Entire Agreement

It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement.

## Governing Law

This Agreement will be governed by and construed in accordance with the laws of the State of Missouri.

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## SCHEDULE OF SERVICES

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Here are the individual terms related to the specific services you have engaged us to perform:

### Review

The objective of our engagement is to—

- 1) prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you, and
- 2) obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's Code of Professional Conduct, and its ethical principles of integrity, objectivity, professional competence, and due care, when preparing the financial statements and performing the review engagement.

A review engagement includes primarily applying analytical procedures to your financial data and making inquiries of management. A review engagement is substantially less in scope than an audit engagement, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review engagement does not contemplate obtaining an understanding of the Company's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents; or other procedures ordinarily performed in an audit engagement. Accordingly, we will not express an opinion regarding the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Company or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our review procedures that indicates fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our review procedures regarding noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence.

We will issue a written report upon completion of the reviewed financial statements. We cannot provide assurance that an unmodified accountant's review report will be issued. Circumstances may arise in which it is necessary for us to report known departures from accounting principles generally accepted in the United States of America, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If, for any reason, we are unable to complete the review of your financial statements, we will not issue a report on such statements as a result of this engagement. You agree to include our accountant's review report in any document containing financial statements that indicates that such financial statements have been reviewed by us and, prior to inclusion of the report, to obtain our permission to do so.

### Audit



We will audit the financial statements of your company, which comprise the statement(s) of financial position as of 12/31/20, the related statements of [activities, functional expenses, and cash flows OR activities and cash flows] for the then ended, and the related notes to the financial statements (the financial statements). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, [in a separate written report accompanying our auditor's report on the financial statements OR in a report combined with our auditor's report on the financial statements].

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## CONFIRMATION

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Except as expressly provided herein, this engagement letter does not modify the terms or provisions of any engagement letter for other professional services , which were agreed to prior to the date noted below.

If any portion of this letter is held to be void, invalid, or otherwise unenforceable, in whole or in part, the remaining portions of this letter shall remain in effect.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Yours sincerely,

Rudolf (Bill) Kruse III CPA, CGMA

Yours sincerely,

Catherine Kruse

Signed by Darcie Clark on behalf of Columbia Community Land Trust