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CLAconnect.com

May 12, 2021

Associated General Contractors Health Benefit Trust  
9450 SW Commerce Circle, Suite 200  
Wilsonville, OR 97070

Re: March 31, 2021 Annual Return/Report of Employee Benefit Plan and 990 Tax Exempt Returns and State Filings

We are pleased that Associated General Contractors (“you,” “your,” or “the plan sponsor”) has engaged CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) to prepare for the Associated General Contractors Health Benefit Trust (the plan) the federal Form 5500, federal Form 990, and applicable schedules. This letter confirms the scope, limitations, and related terms of our engagement for the year ended March 31, 2021.

### **Our responsibility to you**

We will prepare the federal Form 5500 and Form 990 and applicable schedules in accordance with the applicable laws. We will not audit or independently verify the accuracy or completeness of the information we receive from you for the preparation of the plan’s returns and schedules, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information.

### **Your responsibilities**

It is your responsibility to provide us with all of the information needed to prepare complete and accurate returns and schedules. We will have no obligation to prepare the returns until you have provided such information to us.

It is important for you to identify any ownership OR signature authority over a foreign bank account or other foreign financial assets which includes but is not limited to foreign: stocks, mutual funds, partnerships, bonds, retirement accounts, estates, trusts, annuities, swaps, and derivatives. Failure to disclose penalties can be significant, starting at \$10,000 and can be upwards of 50% of the value of the asset. Please provide account statements if you have any foreign account ownership or signature authority. Note that these rules do not apply to foreign investments held by U.S. mutual funds. In addition, ownership in a foreign business entity (association, corporation, disregarded entity, or partnership) could trigger additional U.S. foreign informational reporting requirements. These reporting requirements require the disclosure of ownership, financial information, and related-party transactions. Failure to properly disclose ownership and the required information could trigger a \$10,000 penalty per filing. We cannot be held responsible if you fail to identify or provide such information to us.

For all nonattest services we may provide to you or the plan, including these tax services, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. You are responsible to carefully review the federal Form 5500, federal Form 990, and schedules that we prepare on the plan’s behalf before signing and submitting them to tax authorities. We will advise you with regard to positions taken in the preparation of the plan’s returns, but the responsibility for the returns remains with you.

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The U.S. Department of Labor's requirement for electronic filing of federal Form 5500, including any required schedules and attachments, is management's responsibility. You will be required to log on to a secure website, review the return, approve the return by applying your electronic signature, and transmit the return to the U.S. Department of Labor. You are responsible for any penalties assessed for failure to execute the timely transmission of the return.

### **Tax examinations**

All returns are subject to potential examination by the IRS and the U.S. Department of Labor (DOL). In the event of an examination, we will be available, at your request, to assist or represent the plan administrator. Services in connection with tax examinations are not included in our fee for preparation of the plan's returns. Our fee for such services will be billed to you separately, along with any direct costs.

### **Record retention**

The plan administrator and plan sponsor are responsible for retaining all documents, records, canceled checks, receipts, or other evidence in support of information and amounts reported on the federal Form 5500, federal Form 990 and schedules. These items may be necessary in the event the IRS or DOL examines or challenges the plan's returns. These records should be kept for at least seven years. Your copy of the federal Form 5500, federal Form 990, and schedules should be retained indefinitely.

In preparing the federal Form 5500 and Form 990 and schedules, we rely on your representation that you understand and have complied with these documentation requirements. Plan management is responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of the plan's financial records.

All of the records that you provide to us to prepare the plan's returns will be returned to you after our use. Our working papers, including any copies of your records that we chose to make, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain our working papers for a period of seven years. After this period expires, our working papers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The working papers and files of our firm are not a substitute for the records of the plan.

### **Tax consulting services**

This engagement letter also covers tax consulting services that may arise for which the plan sponsor and management seek our consultation and advice, both written and oral, that are not the subject of a separate engagement letter. These additional services are not included in our fees for the preparation of the federal Form 5500, federal Form 990, and schedules.

We will base our tax analysis and conclusions on the facts you provide to us, and will not independently verify those facts. We will review the applicable tax law, tax regulations, and other tax authorities, all of which are subject to change. At your request, we will provide a memorandum of our conclusions. Written advice provided by us is for the plan sponsor's information and use only and is not to be provided to any third party without our express written consent.

Unless we are separately engaged to do so, we will not continuously monitor and update our advice for subsequent changes or modifications to the tax law and regulations, or to the related judicial and administrative interpretations.

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### **Communications and confidentiality**

The Internal Revenue Code contains a limited privilege for confidentiality of tax advice between you and our firm. In addition, the laws of some states likewise recognize a confidentiality privilege for some accountant-client communications. You understand that CLA makes no representation, warranty or promise, and offers no opinion with respect to the applicability of any confidentiality privilege to any information supplied or communications you have with us, and, to the extent that we follow instructions from you to withhold such information or communications in the face of a request from a third party (including a subpoena, summons or discovery demand in litigation), you agree to hold CLA harmless should the privilege be determined not to apply to particular information or communications.

CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

### **Limitations**

You agree that it is appropriate to limit the liability of CLA, its partners, principals, directors, officers, employees, and agents (each a "CLA party") and that this limitation of remedies provision is governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

You agree that the total liability, if any, of CLA and any other CLA parties arising out of this engagement, any advice and planning, and for the federal Form 5500 and Form 990 and schedules that any CLA party prepares, will be limited to the fees paid to CLA for this engagement.

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. The parties (you and CLA) agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against any CLA party must be commenced as provided below, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within the shorter of these periods ("Limitation Period"):

- For federal Form 5500, federal Form 990, and schedules, within thirty-six (36) months after the date when we deliver the returns under this agreement to you, regardless of whether any CLA party provides other services for you or relating to the returns.
- For tax consulting engagements, separately within thirty six (36) months from the date of our last billing for services on each such consultation.
- For all tax return and tax consulting engagements, within twelve (12) months from the date when you terminate this or any other engagement of our services.

The applicable Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

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## **Fees**

Our fees for tax compliance services for the tax returns are estimated to be \$1,400 for preparation of the federal Form 5500 and \$1,300 for the preparation of the federal Form 990, plus expenses including internal and administrative charges. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. The fee estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fee for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. Our invoices for these fees, are payable on presentation.

## ***Other fees***

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

## ***Finance charges and collection expenses***

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

## **Termination of agreement**

Either party may terminate this agreement at any time by giving written notice to the other party. In that event, the provisions of this agreement shall continue to apply to all services rendered prior to termination.

## **Agreement**

Please sign and date a copy of this letter to confirm your agreement and return it to us at your earliest convenience.

We are looking forward to working with you.

Sincerely,

## **CliftonLarsonAllen LLP**

DocuSigned by:



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Lisa A. Cushman, CPA

Signing Director

509-363-6343

[lisa.cushman@CLAconnect.com](mailto:lisa.cushman@CLAconnect.com)

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**Accepted on behalf of the plan sponsor:**

DocuSigned by:  
*Norman Russell*  
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Signature

chair  
\_\_\_\_\_  
Title

5/12/2021  
\_\_\_\_\_  
Date

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