

ENGAGEMENT LETTER

Miranda & Cortez
Accounting & Tax Services
27403 Ynez Rd STE 201
Temecula, CA 92591

The purpose of this letter is to confirm and specify the terms of our agreement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following understanding.

We will prepare your 2012 Federal and requested state income tax returns from information which you will furnish to us. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that your expenses for meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, and vehicle use are supported by records as required by law. We will make no audit or other verification of the information you give us although we may need to ask you for clarification of some of the information.

You should retain all the documents, canceled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign and file them.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcation or other irregularities, should any exist.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. We plan to perform reasonable research to support positions taken in your income tax returns. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

The law provides for a penalty to be imposed on any underpayment that results from negligence or disregard of rules or regulations. Negligence "includes any failure to make a reasonable attempt to comply..." with the code. Disregard "includes any careless, reckless or intentional disregard". The law also provides various other penalties that may be imposed when taxpayers understate their tax liability. If the tax authorities assess penalties, you agree to be responsible for their payment and not to look to us for reimbursement.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we recommend that you hire a competent professional to represent you. We will be available, upon request, to represent you and will render additional invoices for the time and expenses incurred.

Our fee for these services will be based upon the amount of time required at standard billings rates of \$150 plus out-of-pocket expenses.

The engagement does not include any services not specifically stated in this letter. However, we would be pleased to consult with you regarding the income tax matters such as proposed or completed transactions, income tax projections, and for research in connection with such matters. We will render additional invoices for such services at our standard billing rates.

A late payment charge of 2% per month will be assessed on any unpaid balance after deduction of current payments within 30 days of date of billing. This is an Annual Percentage Rate of 24%.

Mediation is a process under which parties submit their dispute to an impartial, neutral mediator who will work to achieve with the parties a mutually acceptable resolution of the dispute. The mediator is not empowered to impose a solution on the parties. The parties agree to first pursue in good faith the mediation of any dispute arising out of the subject matter of this agreement before resorting to arbitration or any other legal remedy. Mediation fees, if any, shall be divided equally among the parties involved.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return it to our office prior to our commencement in preparing your tax return(s). If your tax filing is a joint return, both taxpayers must sign below. However, if there are other tax returns you expect us to prepare, please inform us by noting so at the end of the returned copy of this letter.

We want to express our appreciation for this opportunity to work with you.

Sincerely yours,

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Miranda & Cortez

Signatures:

Accepted by taxpayer: _____

Printed name of taxpayer: _____

Date of signature: _____

Accepted by taxpayer: _____

Printed name of taxpayer: _____

Date of signature: _____