



February 10, 2013

Dear



It is our firm's standard policy to periodically update our firm's standard engagement letter which outlines the terms and conditions of our engagement. Accordingly, we have prepared this engagement letter to explain the terms and objectives of our engagement and the nature and limitations of the services our firm will provide to you during 2013 and future years. **Please sign and date this engagement letter where indicated by the red "Sign & Date Here" tabs and return it to our office as soon as possible.**

**Please review Attachment A which contains additional terms and provisions, including our firm's standard hourly rates, that are an integral part of this engagement letter and are incorporated herein by reference.**

The Internal Revenue Service imposes penalties on taxpayers and tax return professionals for failing to observe due care in reporting or preparing income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

You have engaged us to perform the following prescribed services and our joint responsibilities for the successful completion of our engagement are as follows:

1. We will prepare your Federal and California business income tax returns, and other state business income tax returns specifically requested by you, from your data without verification.
2. We will perform such accounting services as requested by you preliminary to the preparation of your income tax returns under your approval and acceptance.
3. We will review and advise you on all Federal and State tax notices and assessments that you receive, upon your request, or that we receive on your behalf.
4. We will perform tax planning and projections as requested by you throughout the year.
5. We will prepare, upon your request, any government compliance forms (i.e. payroll tax returns, forms 1099, sales tax returns, property tax affidavits, city business license renewals, etc.), amended income tax returns or other refund or carry back claims, delinquent income tax returns, or represent you in the event of an audit by any taxing authority.
6. It is your responsibility to provide us with all the information required for the preparation of complete and accurate income tax returns. You should retain all the underlying documents, canceled checks and other data necessary to support the completeness and accuracy of the income tax returns filed with taxing agencies for a minimum of six years. In addition, certain other documents, such as organizational documents, IRS determination letters, retirement plan adoption agreements, etc., should be kept indefinitely.



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7. If you hold any foreign financial assets or have a financial interest in any foreign accounts or you are an officer, director or shareholder in a foreign corporation, it is your responsibility to provide us with all the information necessary to prepare the applicable disclosures. If you do not provide us with information, we will prepare the return with no disclosure of foreign accounts. **Failure to disclose foreign financial assets or an interest in foreign accounts can result in substantial civil and criminal penalties.** We will not be responsible for any such penalties.
8. You agree to carefully examine and approve your completed income tax returns before filing them and acknowledge your final responsibility for the overall completeness and accuracy of the returns.
9. We will exercise your option on your behalf on the tax return to allow the IRS to discuss your tax return with a preparer in our office when preparing your income tax returns unless you notify us otherwise.

Our engagement does not constitute an engagement in accordance with professional accounting standards as promulgated by the American Institute of Certified Public Accountants. Furthermore, you agree that our engagement is not designed to discover errors, defalcations, thefts, or other illegal acts or irregularities that may exist. Likewise, we do not warrant the accuracy of any valuations or estimates or the appropriateness of values and estimates used in the preparation of the income tax returns. Moreover, you understand that our firm is not being engaged to render services designed to discover or prevent fraud and we recommend that you engage a specialist qualified in fraud or theft detection and prevention if you have any concerns regarding this matter. However, we will inform you of any matters that come to our attention, which cause us to believe that such a condition may exist.

If we discover information during our engagement that affects your prior-year income tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year income tax returns. Please contact us if you become aware of such information to discuss the best resolution of the issue.

Taxing agencies require you to both maintain and retain information substantiating all items reported on your income tax returns. It is important that you maintain a record system that satisfies these requirements. Requirements for documentation are especially important for deductions for travel, entertainment, auto and computer expenses. We rely on your representations that we have been informed of all bartering transactions, and that you understand and have complied with the documentation requirements for your expenses and deductions. We will be pleased to advise you should you have any questions as to what documentation will satisfy taxing agencies requirements.

In analyzing your tax information, we may discover that there are conflicting tax and legal authorities as to how you may report (or not report) an item or transaction on your income tax return. There are many tax authorities which we rely on in rendering advice (court cases, statutes, public information releases, regulations, internal revenue bulletins, etc.) and the law is constantly changing. If you report an item or transaction based on a conflicting authority that favors you as opposed to the taxing agencies, the possibility exists that the taxing agencies may disagree with the position taken. The taxing agencies could assess a penalty if you overvalue an item, inadvertently omit information on a transaction, or take an unsuccessful tax position. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional interest, penalties or other assessments.

We will electronically file ("e-file") your income tax returns to the taxing authorities. While e-filing will require both you and our firm to complete additional steps, all filing deadlines and tax payment due dates remain the same. You expressly authorize us to use a computer service of our choosing in preparing your tax returns.

You shall have the right at any time to terminate our engagement upon written notice to us, and we shall cease rendering services immediately upon receipt of such notice. However, we shall continue to bill you at our firm's standard hourly rates for any time spent pursuant to your request to facilitate the transfer of your account to your successor accountant. Such termination shall not, however, relieve you of the obligation to pay the balance due for services rendered and costs related to such termination.

If any dispute arises among us, other than for fees, we agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Commercial Mediation Rules and Rules for Professional Accounting and Related Service Disputes, before resulting to litigation.

Engagement Letter

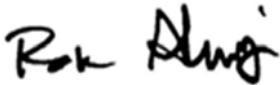
Any dispute over fees charged by us will be submitted for resolution by arbitration in accordance with the arbitration procedures set forth in Attachment A. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY US, WE ARE BOTH GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

This engagement letter and its attachment(s) are an exclusive explanation of the terms and objectives of our engagement, superseding any and all other proposals, oral and written, and all other communications between us. If any portion of this engagement letter is held to be void, invalid, or otherwise unenforceable, in whole or part, the remaining portions of this engagement letter shall remain in effect.

In cases where our services are being rendered primarily for a Corporation, Partnership or L.L.C., the services are rendered not only at the request of and for the benefit of the Corporation, Partnership or L.L.C., but also for those individuals executing a copy of this letter, and we want to make it clear that the obligations for our fees are the joint and several responsibility of not only the Corporation, Partnership or L.L.C., but each individual executing this letter, in his personal capacity.

Please sign this engagement letter and return it to us if it accurately represents your understanding of our engagement. We appreciate this opportunity to be of service to you.


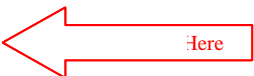
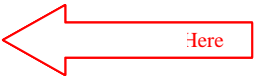
Very truly yours,



The SRA Group, Inc.  
Rakesh Ahuja, Vice President

Accepted by:

(When signed by a corporate officer on behalf of a Corporation or a partner or member on behalf of a Partnership or L.L.C., I certify that I have the authority to execute this engagement letter and consent to all of the aforementioned terms and conditions on behalf of the Corporation, Partnership or L.L.C.)

|                                     |       |       |   |
|-------------------------------------|-------|-------|---|
| _____                               | _____ | _____ |  |
| Signature of Officer/Partner/Member | Title | Date  |   |
| _____                               |       | _____ |  |
| Signature of Individual             |       | Date  |   |
| _____                               |       | _____ |  |
| Signature of Individual             |       | Date  |   |

## **Attachment A**

### **Firm Billing Practices**

Our fees for services rendered will be billed at our standard hourly rates for the individuals' involved plus direct out-of-pocket expenses. Payments for services are due when rendered and interim billings may be submitted as work progresses and expenses are incurred. Invoices become delinquent if not paid within 30 days of receipt.

Our current standard hourly rates are:

|            |                        |
|------------|------------------------|
| Officer    | \$225 - \$375 per hour |
| Accountant | \$80 - \$225 per hour  |
| Bookkeeper | \$50 - \$125 per hour  |
| Clerical   | \$35 - \$50 per hour   |

We will notify you in advance before we make any changes to our firm's standard hourly rates. Time will be charged in the minimum increments of one quarter of an hour. Invoices become delinquent if not paid within 30 days of receipt and may be assessed a late fee of 1% per month. You agree to pay all of our costs of collection, including attorney's fees and costs, which we incur, in collecting any unpaid amounts.

If invoices are not paid within 30 days of receipt, at our election, we will stop all work until your account is brought current, or we will withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that we shall not be liable for any damages that you may incur as a result of our ceasing to render services or withdrawing from this engagement.

### **Privileged Communications**

Federal law has extended the attorney-client privilege to some, but not all, communications between you and your CPA. The communications must be in connection with tax advice. Communications solely concerning preparation of a tax return will not be privileged. In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party such as a lending institution, a friend or a business associate. We recommend that you contact us before releasing any privileged information to a third party. This privilege applies only to non-criminal matters before the IRS or brought by or against the government in a federal court. If we are asked to disclose any privileged communication, unless we are required to disclose by law, we will not provide such disclosure until you have had an opportunity to argue that the communications are privileged. You agree to pay any and all reasonable expenses we incur, including legal fees that are a result of attempts to protect any communication as privileged.

### **Firm Record Retention Policy**

It is our firm's policy to generally keep files and work papers related to our engagement for seven years. Upon the expiration of this period, we will destroy all records that are in our possession without any further notice to you. There may be circumstances where it is advisable that you retain records for a longer period of time than we have established under our firm's policy such as, potential litigation, marital dissolutions or other controversies. Therefore, you agree that it is your responsibility to retain any records that you deem necessary for any period extending beyond our firm's record retention policy.

### **Financial Services**

Some of the officers of the firm are individually licensed to provide financial, insurance and investment advice. However, the firm is not licensed to provide such advice and we want to make it clear that our engagement does not include financial, insurance, retirement, or investment planning.

### **Outside Processing Services (OPS)**

CPA firms generally use outside computer/accounting/tax processing service companies ("OPS"). You expressly authorize our firm to use an OPS of our choosing to assist in preparing your accounting records and tax returns.

In these instances our firm may disclose and electronically transmit your accounting/tax data and financial information to the OPS. The OPS is located outside our office and in some instances may have affiliates located outside the United States. As a result of this, the OPS could, in turn, disclose and electronically transmit the data and financial information to its international affiliates.

## **Privacy and Disclosure**

The law requires a high level of privacy in the handling of your tax and financial affairs. Federal laws prohibit unauthorized disclosure of tax returns and tax return information, and also prohibit the use of any tax return information that you provide for any purpose other than for the preparation of your tax returns. Therefore, we will not disclose any unauthorized information about you unless we have your approval or the disclosure is required or permitted by law, or use the information provided by you for any purpose not specifically allowed by law or approved by you. This applies even if you are no longer a client. We are also committed to the safekeeping of your confidential information and we maintain physical, electronic, and procedural safeguards to protect your information.

## **Mediation, Arbitration and Limitation of Damages**

### General Provisions

All aspects of the mediation and arbitration shall be treated as confidential. Neither the parties nor the mediators or arbitrators may disclose the existence, content or results of the mediation or 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. Fees charged by any mediators, arbitrators or an association such as the AAA will be shared equally by each of us.

Notwithstanding any other provisions of our engagement letter and this Attachment, in recognition of the relative risks and benefits of our engagement the parties agree on the fair allocation of risk between them. As such, you agree, to the fullest extent permitted by law, to limit our liability to you for any and all claims, losses, costs, and damages of any nature whatsoever, so that our total aggregate liability shall not exceed the amount of fees actually paid to us with respect to the services directly relating to and forming the basis of such claim. You intend and agree that this limitation apply to any and all liability or cause of action against us, however alleged or arising, unless otherwise prohibited by law.

### Mediation

In the mediation process, we will try to resolve our 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 to 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 assistance of the mediator, to reach an amicable resolution of the dispute.

### Arbitration

The arbitration will be conducted before a panel of up to three arbitrators with final and binding arbitration in accordance with the procedures in this document, the Commercial Arbitration Rules of the AAA, and the Arbitration Rules for Professional Accounting and Related Services Disputes of the AAA as in effect on the date of the engagement letter. In the event of a conflict, the provisions of this document will control. The judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

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. They shall have no power to award punitive damages and 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 form. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitrators have any power to make an award or impose a remedy that could not be made or imposed by a court deciding the manner in the same jurisdiction.

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