



February 10, 2013

Dear

We have prepared this engagement letter to explain the terms and objectives of our engagement as well as the nature and limitations of the services our firm will provide to you during the 2013 calendar year.

**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.

#### **Personal Income Tax Engagement Services**

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 individual federal and resident state income tax returns and any nonresident state income tax returns as requested by you for 2012 from your data without verification.
2. You will submit your 2012 income tax information to us no later than April 1, 2013. If you are unable to provide complete data by this time, we request that you provide us with the information that you have and deliver the balance as soon as possible. However, please be aware that if you do not submit all of your data by April 1, 2013, we may not be able to complete your return before the original due date. While we can request an extension of the filing date on your behalf, you could be subject to penalties and interest if you file your tax returns after the original due date.
3. It is your responsibility to provide us with accurate and complete information and to maintain and retain proper records and support to substantiate the accuracy of your income tax returns. You should keep these records for a minimum of six years. In addition, certain other documents, such as escrow statements, IRS determination letters, retirement plan adoption agreements, etc., should be kept indefinitely.
4. We will use our professional judgment in preparing your income tax returns whenever the tax law may be unclear or there are conflicting interpretations of the law by authorities, which we rely upon, in rendering advice. We will take reasonable positions upon your request on your tax return as long as they are consistent with the codes, regulations, and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus penalties and interest. We will have no liability for any such additional assessments, penalties or interest.

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tel: 818.348.4800  
fax: 818.348.6326

5. 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.
6. You agree to carefully examine and approve your completed personal income tax returns before filing them and acknowledge your final responsibility for these returns.
7. We will review and advise you on any personal income tax notices and assessments that you receive during the year upon your request or that we receive on your behalf.
8. We will not perform tax planning and projections of any nature unless we agree in writing to provide this service.
9. We will exercise your option on your behalf in 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. Moreover, you understand that our firm is not being engaged to render services designed to discover or prevent fraud.

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.

You have engaged us solely to perform the aforementioned **Personal Income Tax Engagement Services**, as applicable, and we want to make it clear that our engagement does not include any of the following services. These additional services may be provided upon your request and our written acceptance and modified by the executed Attachment B as applicable:

- Representation in the event of an audit or inquiry by any taxing agency.
- Preparation of other government compliance forms, (i.e., payroll tax returns, forms 1099, sales tax returns, property tax affidavits, city business license renewals, etc.).
- Preparation of estate and gift tax returns.
- Preparation of amended personal income tax returns, and refund or other carryback claims.
- Preparation of delinquent personal income tax returns.
- Tax planning and projections.
- Estate Planning.

We will electronically file (“e-file”) your 2012 individual 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.

We cannot transmit the returns to the taxing authorities until we have received a signed authorization from you indicating that you have reviewed the return and that, to the best of your knowledge, you feel it is correct. If you have not provided our firm with your signed authorization by **April 14, 2013** we will place your return on extension, even though it might already have been completed. In that event, you may be required to submit a payment with the extension. While our firm will use its best efforts to ensure that your returns are successfully transmitted to the appropriate taxing authorities, we will not be financially responsible for electronic transmission or other errors arising after your return has been successfully submitted from our office.

Engagement Letter

By your signature below you acknowledge that a minimum fee of \$750 will be imposed for the preparation of individual income tax returns filed on or before August 15, 2013 and a minimum fee of \$1,000 is imposed for the preparation of income tax returns filed after August 15, 2013.


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 incurred to such termination.

If any dispute arises among us, we agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Rules for Professional Accounting and Related Service Disputes. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the arbitration procedures set forth in Attachment A. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD 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 in part, the remaining portions of this engagement letter shall remain in effect.

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,

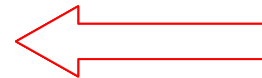


The SRA Group, Inc.,  
Rakesh Ahuja, Vice President

Accepted by:

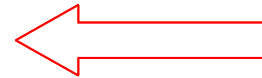
\_\_\_\_\_  
Signature of Client

\_\_\_\_\_  
Date



\_\_\_\_\_  
Signature of Spouse (if joint return)

\_\_\_\_\_  
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.