

David Oase CPA, PC
Certified Public Accountants
7802 E. Escalante Rd, Tucson, AZ 85730

2009 Business Tax Return Preparation Engagement Letter

We appreciate the opportunity to work with you. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the nature and extent of the services we will provide. Also, by sending you this engagement letter we have assumed that you are the person responsible for the tax matter of _____ (Name of Client Company). If this is not a correct assumption, please furnish us with the name of the individual with whom this work should be coordinated.

1. Character and Limitations of Services to be Provided

Our engagement will be designed to perform the following services:

- (a) Prepare the federal, state, and local income tax returns with supporting schedules for
Corporation/LLC S-Corporation/LLC Partnership/LLC Exempt/Fiduciary (check one).
- (b) Perform any bookkeeping we find necessary for preparation of the income tax returns.

We are responsible for preparing only the returns listed above. We do NOT file tax extensions for clients unless specifically requested to do so. When requested, the extensions we send are not sent Certified mail. Because late filing penalties can be significant, we recommend that all returns and extensions sent via mail, be sent certified. Also please note that returns and extensions electronically filed can be rejected by the IRS. We are normally notified of the rejection within two business days. If your extension or return is rejected, you could be faced with late filing penalties. We are not responsible for such penalties.

The completion of our tax services will be performed in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. 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. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. 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 financial records. You may separately engage us, for an additional fee, to provide services that focus on identifying and addressing weaknesses in internal controls and searching for the existence of fraud. However, to date, you have declined such services and requested only that we perform the services described above.

You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign and file them. It is management's responsibility to timely provide all financial records and other information needed for our preparation of your return, although we will make a reasonable effort to obtain information from you that may be necessary to answer any questions we have. Your failure to provide timely and complete financial records or other information necessary to complete your returns may delay the completion of this engagement and/or negatively affect your tax position.

Your return 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 will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or circumstances of these penalties, please contact us.

2. Billing

Our fee for this engagement is based on the Forms filed, any additional work performed in their preparation, as well as any additional services you request from us (i.e. journal entries to correct your books). Invoices are due and payable upon presentation. We reserve the right to defer rendering further services until payment is received on past due invoices.

Our fee does include responding to tax authority notices and inquires by mail. There is an additional \$35 fee for us to speak on your behalf with the government using a Power of Attorney. Our fee does not include the cost of an audit. If your reports are selected for audit by taxing authorities, we are available to assist you. Our fees for such services would be covered under a separate engagement letter.

3. Termination of Engagement

Circumstances may arise during the engagement which may prevent completion of the engagement or require us to withdraw from the engagement. Either you or this firm may terminate the engagement at any time for any reason by written notice, subject on our part to any applicable rules of professional conduct.

4. Limited Liability and Indemnification

By signing this Engagement Letter, you agree that you will be completely truthful with us and that we may rely upon both oral and written statements and responses to questions. You acknowledge that these provisions are the cornerstone of your relationship with us, are made to induce David Oase CPA PC to accept this tax preparation engagement, and that David Oase CPA PC would not accept this engagement without such promises.

You also agree that our liability arising from this engagement shall be limited to the lesser of any actual damages which may have been caused by acts, errors or omissions in violation of our professional duties in all material respects, or the amount of the fees which you pay for our services. Further, you agree to release, indemnify, defend and hold us harmless from any liability or costs, including attorneys' fees, resulting from knowing misrepresentations by management.

5. Dispute resolution

By signing this engagement letter, you agree to submit any dispute concerning our services to final and binding arbitration conducted under the Rules of the American Arbitration Association which pertain to the resolution of claims against accountants. The arbitrator(s) selected to preside over any arbitration proceeding must be mutually agreeable to both parties.

The arbitrator(s) shall have authority to award compensatory damages, but only for such damages as found to have been directly and solely caused by acts, errors, or omissions committed in violation of our professional duties, and only to the extent they are less than the amount of fees which you pay for our services. If the amount of compensatory damages is greater than the amount of fees which you pay for our services, then the arbitrator(s)' authority to award compensatory damages shall be limited to the amount of fees paid.

6. Confidentiality and Third Party Requests for Information

Work papers and other documentation prepared by us in connection with this engagement are property of David Oase CPA PC. However, we will not disclose confidential information of yours contained

in those work papers or otherwise disclosed to us during the engagement except when required by law or permitted under the rules of professional conduct governing accountants.

In the event that we are required to respond to a subpoena, court order, or other legal process for the production of documents and/or testimony relative to information obtained and/or prepared during the course of our engagement, you agree to compensate us at our hourly rate of \$90. per hour, for the time we expend in connection with such responses, and to reimburse us for all of our out-of-pocket expenses incurred in that regard, including but not limited to reasonable attorneys' fees incurred by us in connection with responding or objecting to the scope of an information request, or incurred as a result of your refusal to provide written consent to produce subpoenaed documents or provide the required testimony.

7. Integration and Modification

This engagement letter sets forth all of the agreed upon terms of our engagement with respect to matters covered in this engagement letter, and shall be treated as the entire agreement between you (the client) and David Oase CPA PC. Any oral or written agreement, statement, representation or promise that is not contained in this engagement letter is invalid and unenforceable. By signing this engagement letter, you agree that the terms of this engagement letter supersede any oral or written agreement, statement, representation or promise between you, the client, and David Oase CPA PC,.

The terms of this engagement letter may not be modified in any respect unless in writing and signed by both the client and David Oase CPA PC, and then such modification shall be effective only in the specific instance or purpose for which it is given.

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.

Very truly yours,



David Oase CPA PC

Date: _____

Acknowledged and Agreed to By:

[Name of Client Company]

By:

[Signature of Duly Authorized Agent of Company]

Title:

[Title of Duly Authorized Agent of Company]