



ENGAGEMENT LETTER

Dear Client,

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide.

We will prepare your _____ individual federal and state income tax returns. This engagement pertains only to the _____ tax year, and our responsibilities do not include preparation of any other tax returns that may be due to any taxing authority. Our engagement will be complete upon the delivery of the completed returns to you.

Your returns may be selected for review by one or more than one taxing authority. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such a government tax examination, we will be available upon your written request to represent you during the examination and/or during any appeal. Any such representation will be the subject of, and governed by, a separate engagement letter.

We will prepare the 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. We will furnish you with questionnaires and/or worksheets as needed to guide you in gathering the necessary information. To the extent we render any accounting and/or bookkeeping assistance, it will be limited to those tasks we deem necessary for the preparation of the returns.

We will not audit or otherwise verify the data you submit. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any material errors, fraud or other illegal acts that come to our attention.

You are responsible for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions, all of which will, among other things, help assure the preparation of proper returns. Furthermore, you are responsible for evaluating the adequacy and results of the services we provide.

The law provides various penalties and interest that may be imposed when taxpayers underestimate their tax liability. You acknowledge that any such understated tax, and any imposed interest and penalties, are your responsibility, and that we have no responsibility in that regard. If you would like information on the amount or circumstances of these penalties, please contact us.

We may encounter instances where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In those instances, we will outline for you each of the reasonable alternative courses of action, including the risks and consequences of each such alternative. In the end, we will adopt, on your behalf, the alternative which you select after having considered the information provided by us.

We will also provide you with interim and year-end tax planning services on issues that you specifically bring to our attention in writing. Our ability to provide you with appropriate guidance on such issues will be entirely dependent on the timeliness, accuracy, and completeness of the relevant information bearing on the issue which we will rely on you to provide to us. Although we may orally discuss tax planning issues with you from time to time, such discussions will not constitute advice upon which we intend for you to rely for any purpose. Rather, any advice upon which we intend for you to rely, and upon which you will rely, will be embodied in a written report or correspondence from us to you, and any such writing will supersede any prior oral representations between the parties on the issue.

Our fee for tax return preparation services will be based on the amount of time required at prevailing billing rates plus expenses, adjusted for the value of the work performed. Fees for individual income tax returns are due at the time we deliver the completed return. Fees over thirty days past due will incur a late charge.

If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your return. You will be obligated to compensate us for all time expended, and to reimburse us for all our out-of-pocket costs, through the date of termination.

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 them.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

In the event 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 we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates, as set forth above, for the time we expend in connection with such a response, and to reimburse us for all our out-of-pocket costs incurred in that regard.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, and if such obligation is or may be a direct or indirect result of any inaccurate, incomplete, or misleading information that you provide to us during the course of this engagement (with or without your knowledge or intent), you agree to indemnify us, defend us, and hold us harmless as against such obligation.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated because of this engagement shall be administered within the county of Santa Clara, CA, and any ensuing litigation shall be conducted within said county, according to CA law. The results of any such mediation shall be binding only upon the agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the

contrary. In the event of litigation brought against us, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee charged by us, and paid by you, for the services set forth in this engagement letter.

This engagement letter is contractual in nature and includes all the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all the parties.

If, after full consideration and consultation with counsel if so desired, you agree to authorize us to prepare your personal income tax returns pursuant to the terms set forth above, please execute this letter on the line below designated for your signature and return the original of this executed letter to this office along with a completed copy of the enclosed tax organizer and the supporting documentation requested therein. You should keep a copy of this fully executed letter for your records. If this firm does not receive from you the original of this letter, in fully executed form, but receives from you a completed copy of the enclosed tax organizer and/or supporting documentation requested therein, then such receipt by this office shall be deemed to evidence your acceptance of all the terms set forth above. If, however, this office receives from you no response to this letter, then this office will not proceed to provide you with any professional services and will not prepare your income tax returns.

Thank you for your attention to this matter, and please contact us with any questions that you may have.

Very truly yours,

Muscara & Pasquinelli, Inc.

ACCEPTED AND AGREED:

[Name of Signatory]

Date

(*Only one signature is required for clients married filing jointly)

Privacy Notice

Your privacy is important to us, and maintaining your trust and confidence is one of our highest priorities. We respect your right to keep your personal information confidential and understand your desire to avoid unwanted solicitations. A recent law change requires us (along with banks, brokerage houses, and other financial institutions) to disclose our Privacy Policy to you – which we are more than happy to do. We hope that by taking a few minutes to read it, you will have a better understanding of what we do with the information you provide us with and how we keep it private and secure.

A. Types of Information We Collect

We collect certain personal information about you – but only when that information is provided by you or is obtained by us with your authorization. We use that information to prepare your personal income tax returns and may also provide various tax and financial planning services to you at your request.

Examples of sources from which we collect information include:

- interviews and phone calls with you,
- letters or e-mails from you,
- tax return or financial planning organizers, and
- financial history questionnaires.

B. Parties to Whom We Disclose Information

As a rule, we do not disclose personal information about our clients or former clients to anyone. However, to the extent permitted by law and any applicable state Code of Professional Conduct, certain nonpublic information about you may be disclosed in the following situations:

- To comply with a validly issued and enforceable subpoena or summons.
- During a review of our firm's practices under the authorization of a state or national licensing board, or as necessary to properly respond to an inquiry or complaint from such a licensing board of organization.
- In conjunction with a prospective purchase, sale, or merger of all or part of our practice, provided that we take appropriate precautions (for example, through a written confidentiality agreement) so the prospective purchaser or merger partner does not disclose information obtained in the course of the review.
- As a part of any actual or threatened legal proceedings or alternative dispute resolution proceedings either initiated by or against us, provided we disclose only the information necessary to file, pursue, or defend against the lawsuit and take reasonable precautions to ensure that the information disclosed does not become a matter of public record.
- To provide information to affiliates of the firm and nonaffiliated third parties who perform services or functions for us in conjunction with our services to you, but only if we have a contractual agreement with the other party which prohibits them from disclosing or using the information other than for the purposes for which it was disclosed. (Examples of such disclosures include using an outside service bureau to process tax returns or engaging a records-retention agency to store prior year records.)

C. Confidentiality and Security of Nonpublic Personal Information

Except as otherwise described in this notice, we restrict access to nonpublic personal information about you to employees of our firm and other parties who must use that information to provide services to you. Their right to further disclose and use the information is limited by the policies of our firm, applicable law, our Code of Professional Conduct, and nondisclosure agreements where appropriate. We also maintain physical, electronic, and procedural safeguards in compliance with applicable laws and regulations to guard your personal information from unauthorized access, alteration, or premature destruction.

Thank you for allowing us to serve your accounting, tax, and financial planning needs. We value your business and are committed to protecting your privacy. We hope you view our firm as your most trusted advisor, and we will work to continue earning your trust. Please call us if you have any questions or if we can be of further service.