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ENGAGEMENT LETTER

This letter is to confirm and specify the terms of our engagement and to clarify the nature and extent of the tax services we will provide for the year ended:

Tax Year _____
Fiscal Year End _____

SERVICES TO BE PROVIDED

We will prepare the tax returns as indicated below:

INDIVIDUAL TAX RETURNS

Taxpayer Name _____
Spouse Name _____
Federal California
Other States _____

PARTNERSHIP (OR LLC) TAX RETURNS

Business Name _____
Federal California
Other States _____

CORPORATION TAX RETURNS

Business Name _____
Federal California
Other States _____

TRUST TAX RETURNS

Trust Name _____
Federal California
Other States _____

We are not responsible for returns not on the list. We are under no duty to review the information you provide to determine whether you may have a filing obligation with another state, city or other locality. If we become aware of any other filing requirement, we will tell you of the obligation and may prepare the appropriate returns at your request as a separate engagement.

This engagement letter does not cover the preparation of any financial statements, or any other accounting or advisory services which, if we are to provide, will be covered under a separate engagement letter.



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CLIENT INFORMATION & REVIEW

In providing this information to us, you represent that the information you are supplying is truthful, accurate and complete to the best of your knowledge and that you have truthfully disclosed to us all income, deductions and other relevant facts affecting the returns. You have maintained written documentation supporting all amounts, including log books and receipts. You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, and the substantial accuracy of the financial records. Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. We will not audit or otherwise verify the information you give us; however, we may ask for additional clarification of some information.

You will contact us immediately if you discover additional information that will lead to a change in your return, or if you receive any letters from the IRS, state or local taxing authorities.

You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

PRIOR YEAR RETURN

If during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

THIRD PARTY SERVICE PROVIDERS

We may from time to time, and depending on the circumstances, use third-party service providers to assist in preparing your return, but these preparers will not make substantive decisions concerning your return. We may share your tax return information with these service providers, but remain committed to maintaining the confidentiality and security of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, Troy Yoshida CPA, Inc. will remain responsible for the work provided by any such third-party service provider.

In accordance with federal law, in no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any other purpose without first receiving your written consent.

TAX POSITION DISCLOSURES

The Internal Revenue Code and regulations impose preparation and disclosure standards with non-compliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that don't meet these standards. Accordingly, we will discuss tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement and you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate upon our withdrawal.

IRS AND FRANCHISE TAX BOARD AUTHORIZATION

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. You consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us. You authorize Troy Yoshida CPA to execute the online account view access authorization on the Franchise Tax Board's website. You understand Troy Yoshida CPA will have view-only access to all the tax year information available on the FTB's website that is associated with you. This authorization remains in effect until you revoke it in writing.

EXTENSIONS

We may not file any federal, state or local tax extensions unless you request us to do so in writing, by fax or email. **I understand that an extension only provides an extension of time to file, not an extension of time to pay. Taxes paid after the original deadline will result in penalties and interest.**

FOREIGN ACCOUNTS & HOLDINGS

Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having a value exceeding \$10,000 in a foreign country shall report such a relationship. Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts even if the taxpayer does not have foreign account(s). For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

TAX EXAMINATIONS

The return(s) may be selected for review by the taxing authorities and that penalties may be imposed on returns that are late, underpaid or incorrect. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income, deductions, carryovers or basis shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax return(s).

You should know that IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation such as all charitable contributions, travel and meal expenses and expenses for business usage of autos and computers. In preparing your returns 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 are not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest. If you have questions about these issues, please contact us.

You understand that, in the event of a preparer error, you are responsible for additional tax that may be due, but our responsibility is to pay for any penalty that the IRS, state or local taxing authorities may assess, up to the amount of our fee charged.

COMPENSATION

Our fees are not contingent on the results of our services. Fees for our tax return preparation services will be billed upon completion of your returns at the appropriate market rate for the level and value of services rendered, plus out of pocket expenses. Fees are due and payable upon completion of these returns.

We reserve the right to suspend or terminate our work due to non-payment. Work may be suspended if your account becomes ninety (90) days or more overdue and will not be resumed until your account is paid in full. The suspension or termination of our work may cause you to fail to meet deadlines imposed by creditors, governments or other third-parties or may result in other adverse consequences and is a proper consequence of nonpayment of our statements. In the event that our work is suspended or terminated as a result of non-payment, you agree that we will not be responsible for your failure to meet government and other filing deadlines, or for penalties or interest that may be assessed against you resulting from your failure to meet said deadlines. Additionally if we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed the services contemplated in this engagement. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorney fees.

RECORD RETENTION

It is our policy to keep certain records related to this engagement for seven (7) years. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

RECORD RETENTION (Continued)

You must retain all the documents, receipts, canceled checks, and other data that form the basis of income and deductions for a minimum of four years, or seven years is preferred. Backup documentation to substantiate carry forwards for capital losses, rental losses, passive losses, net operating losses or other carryforwards must be maintained until four years after the carry forwards are fully utilized. Backup documentation to substantiate real property improvements/purchases and substantiation of basis in an investment, partnership or corporation must be maintained until four years after the complete sale/disposition/dissolution of the real property, investment, partnership or corporation is reported on your tax return, whichever is sooner. Backup documentation to substantiate assets exchanged through a like-kind exchange should be kept forever.

We suggest that you keep a copy of your tax return forever. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority.

By signing this engagement letter, you acknowledge and agree that upon the expiration of the seven (7) year period, we are free to destroy our records related to this engagement.

COMMUNICATIONS

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any privileged communication; you agree to provide us with written, advanced authority to make that disclosure.

SUBPOENAS AND OUTSIDE INQUIRIES

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

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 standard hourly rates, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

DISPUTE RESOLUTION

In the event of a dispute related in any way to our services, our firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees.

Potential errors may occur in your tax return(s) that can result in damages that may be many times the amount of the fees for this engagement. In order to induce us to accept this engagement, you therefore agree that our liability for any negligent errors or omissions committed by us in the performance of the engagement will be limited to the total amount of fees paid by you to us under the terms of this agreement.



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CONFIRMATION OF AGREEMENT

This engagement letter is contractual in nature, and includes all of 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 of the parties.

We have the right to withdraw from this engagement, at our discretion, if you don't provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out of pocket expenses through the date of our withdrawal.

If the foregoing is in accordance with your understanding, please sign and date this letter in the spaces provided. Return all pages to us.

We appreciate the opportunity to be of service to you. We are pleased to discuss this engagement letter with you at any time. It is our policy to initiate services after we receive the executed engagement letter.

Very truly yours,

Troy Yoshida CPA, Inc.

INDIVIDUAL RETURNS

Accepted by: _____ Date: _____
Taxpayer

Accepted by: _____ Date: _____
Spouse

PARTNERSHIP AND/OR CORPORATION RETURNS (if applicable)

Accepted by: _____ Date: _____
Authorized Officer or Partner

Title

TRUST RETURNS (if applicable)

Accepted by: _____ Date: _____
Trustee

PLEASE SIGN AND RETURN ALL FIVE PAGES. THANK YOU!